

SOLOMON HOLDINGS LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2000**



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 - 13

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2000

The directors present their report and the financial statements for the year ended 30 April 2000.

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 £1,144,096 (1999 - £838,415).

The company paid a dividend during the year of £1,122,000 (1999 - £841,500) equivalent to £44 (1999 - £33) 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	
	2000	1999
R Solomon	6,630	7,650
Mrs S E Solomon	6,630	7,650
M J Solomon	6,120	5,100
M C Solomon	6,120	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 18 August 2000 and signed on its behalf.



R Solomon
Director

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 13 together with the financial statements of Solomon Holdings Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 April 2000.

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 13 are properly prepared in accordance with that provision.

Marsden & Co

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

18 August 2000

ABBREVIATED PROFIT AND LOSS ACCOUNT
For the year ended 30 April 2000

	Note	2000 £	1999 £
Administrative expenses		(8,803)	(8,729)
OPERATING PROFIT	2	277,197	277,271
Income from investments in related companies		943,500	637,500
Interest receivable	4	827	2,542
Interest payable	5	(9,709)	(10,952)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,211,815	906,361
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	(67,719)	(67,946)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,144,096	838,415
DIVIDENDS	7	(1,122,000)	(841,500)
RETAINED PROFIT/(LOSS) FOR THE YEAR		22,096	(3,085)
RETAINED PROFIT BROUGHT FORWARD		10,844	13,929
RETAINED PROFIT CARRIED FORWARD		£ 32,940	£ 10,844

All amounts relate to continuing operations.

There were no recognised gains and losses for 2000 or 1999 other than those included in the profit and loss account.

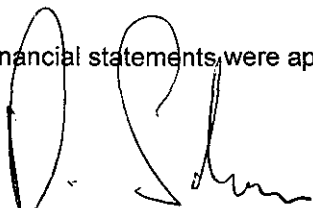
The notes on pages 7 to 13 form part of these financial statements.

BALANCE SHEET
As at 30 April 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible fixed assets	8		790,083		790,630
Investments	9		25,500		25,500
			<u>815,583</u>		<u>816,130</u>
CURRENT ASSETS					
Debtors	10	1,243,537		747,241	
Cash at bank and in hand		7,645		113,699	
		<u>1,251,182</u>		<u>860,940</u>	
CREDITORS: amounts falling due within one year	11	(1,520,828)		(1,112,032)	
NET CURRENT LIABILITIES			(269,646)		(251,092)
TOTAL ASSETS LESS CURRENT LIABILITIES			545,937		565,038
CREDITORS: amounts falling due after more than one year	12		(20,100)		(70,100)
PROVISIONS FOR LIABILITIES AND CHARGES	13		(82,234)		(73,431)
NET ASSETS			£ 443,603		£ 421,507
CAPITAL AND RESERVES					
Called up share capital	14		25,500		25,500
Revaluation reserve			385,163		385,163
Profit and loss account			32,940		10,844
SHAREHOLDERS' FUNDS - All equity	15		£ 443,603		£ 421,507

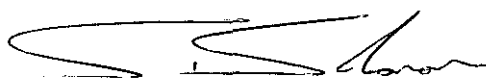
The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

The financial statements were approved by the board on 18 August 2000 and signed on its behalf.



R Solomon

Director



Mrs S E Solomon

Director

The notes on pages 7 to 13 form part of these financial statements.

CASH FLOW STATEMENT
For the year ended 30 April 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities (Page 6)		150,209	434,463
Returns on investments and servicing of finance	16	934,618	629,090
Taxation		(61,367)	(42,557)
Capital expenditure and financial investment	16	(7,514)	(132,800)
Equity dividends paid		(1,122,000)	(841,500)
(Decrease)/increase in cash in the period		<u>£ (106,054)</u>	<u>£ 46,696</u>

The notes on pages 7 to 13 form part of these financial statements.

CASH FLOW STATEMENT INFORMATION
For the year ended 30 April 2000

	Note	£	2000 £	£	1999 £
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES					
Operating profit			277,197		277,271
Depreciation of tangible fixed assets			8,061		7,986
Increase in debtors			(496,296)		(305,000)
Increase in creditors			361,247		454,206
Net cash inflow from operating activities			£ 150,209		£ 434,463
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT					
	17				
(Decrease)/increase in cash in the period			(106,054)		46,696
Change in net debt resulting from cash flows			(106,054)		46,696
Net debt at 1 May 1999			113,699		67,003
Net debt at 30 April 2000			£ 7,645		£ 113,699

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 2000

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 land and buildings 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 goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

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

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:

	2000 £	1999 £
Depreciation of tangible fixed assets		
- owned by the company	8,061	7,986
Audit fees	700	700
	<u> </u>	<u> </u>

No director received any emoluments (1999 - £Nil)

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 2000

3. STAFF COSTS

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

	2000	1999
Administrative	4	4
	<u>4</u>	<u>4</u>

Staff costs were £Nil (1999 - £Nil) for the year.

4. INTEREST RECEIVABLE

	2000 £	1999 £
Other interest receivable	£ 827	£ 2,542
	<u>827</u>	<u>2,542</u>

5. INTEREST PAYABLE

	2000 £	1999 £
On other loans	£ 9,709	£ 10,952
	<u>9,709</u>	<u>10,952</u>

6. TAXATION

	2000 £	1999 £
UK Corporation tax		
Current tax on income for the period	58,916	61,367
Transfer to deferred taxation in respect of the current period	8,803	6,579
	<u>£ 67,719</u>	<u>£ 67,946</u>

7. DIVIDENDS

	2000 £	1999 £
Ordinary - interim paid	<u>1,122,000</u>	<u>841,500</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 2000

8. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Total £
Cost or valuation		
At 1 May 1999	798,616	798,616
Additions	7,514	7,514
	<u>806,130</u>	<u>806,130</u>
At 30 April 2000		
Depreciation		
At 1 May 1999	7,986	7,986
Charge for year	8,061	8,061
	<u>16,047</u>	<u>16,047</u>
At 30 April 2000		
Net Book Value		
At 30 April 2000	£ 790,083	£ 790,083
	<u>£ 790,083</u>	<u>£ 790,083</u>
At 30 April 1999	£ 790,630	£ 790,630
	<u>£ 790,630</u>	<u>£ 790,630</u>

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Total £
Cost		
At 1 May 1999	25,500	25,500
	<u>25,500</u>	<u>25,500</u>
At 30 April 2000		
Net Book Value		
At 30 April 2000	£ 25,500	£ 25,500
	<u>£ 25,500</u>	<u>£ 25,500</u>
At 30 April 1999	£ 25,500	£ 25,500
	<u>£ 25,500</u>	<u>£ 25,500</u>

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

During its latest financial year ended 30 April 2000, Solomon Commercials Limited made a profit after tax of £4,946 (1999 - £(698)) and at the end of that year the aggregate of its capital and reserves was £31,061 (1999 - £26,115).

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 2000

10. DEBTORS

	2000 £	1999 £
Due within one year		
Amounts owed by group undertakings	1,243,537	747,241
	<u>£ 1,243,537</u>	<u>£ 747,241</u>

11. CREDITORS:**Amounts falling due within one year**

	2000 £	1999 £
Trade creditors	18,852	152,515
Corporation tax	58,916	61,367
Social security and other taxes	3,760	5,950
Other creditors	1,438,500	891,500
Accruals and deferred income	800	700
	<u>£ 1,520,828</u>	<u>£ 1,112,032</u>

12. CREDITORS:**Amounts falling due after more than one year**

	2000 £	1999 £
Other creditors	20,100	70,100
	<u>£ 20,100</u>	<u>£ 70,100</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 2000

13. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax £
At 1 May 1999	73,431
Additions	8,803
Amounts used	-
Amounts reversed	-
Discounted adjustments	-
At 30 April 2000	<u>£ 82,234</u>

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	2000 Amount provided £	Amount not provided £	1999 Amount provided £	Amount not provided £
Accelerated capital allowances	<u>82,434</u>	<u>-</u>	<u>73,431</u>	<u>£ -</u>

14. CALLED UP SHARE CAPITAL

	2000 £	1999 £
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>

15. SHAREHOLDERS' FUNDS

Reconciliation of movements on shareholders' funds

	2000 £	1999 £
Profit for the year	1,144,096	838,415
Dividends	<u>(1,122,000)</u>	<u>(841,500)</u>
	22,096	(3,085)
Opening shareholders' funds	<u>421,507</u>	<u>424,592</u>
Closing shareholders' funds	<u>£ 443,603</u>	<u>£ 421,507</u>

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 2000

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

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	827	2,542
Interest paid	(9,709)	(10,952)
Income received from investments	943,500	637,500
Net cash inflow for returns on investments and servicing of finance	£ 934,618	£ 629,090
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(7,514)	(132,800)
Net cash outflow for capital expenditure	£ (7,514)	£ (132,800)

17. ANALYSIS OF NET DEBT

	At 1 May 1999 £	Cash flow £	At 30 Apr 2000 £
Net cash:			
Cash at bank and in hand	113,699	(106,054)	7,645
Net debt	£ 113,699	£ (106,054)	£ 7,645

18. TRANSACTIONS WITH DIRECTORS

During the year the company received management charges of £150,000 (1999 - £150,000), rent of £136,000 (1999 - £136,000) and dividends of £943,500 (1999 £637,500) from its subsidiary company, Solomon Commercials Limited. At the balance sheet date £1,243,537 (1998 - £747,241) was owed by the subsidiary company. During the year £4,854 (1999 - £5,476) was paid to R Solomon and Mrs S E Solomon each as interest on directors' loan accounts.

19. RELATED PARTIES

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

	2000 £	1999 £
R Solomon	406,720	312,500
Mrs S E Solomon	406,720	312,500
M J Solomon	322,580	168,300
M C Solomon	322,580	168,300

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 April 2000

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:

	2000	1999
	£	£
R Solomon	35,050	60,050
Mrs S E Solomon	35,050	60,050

The above amounts are included within the amounts per note 20 above.

21. CONTROLLING PARTY

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