

HEADWAY CONSTRUCTION COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 29 APRIL 1995

Company Number: 332507



HEADWAY CONSTRUCTION COMPANY LIMITED

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HEADWAY CONSTRUCTION COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the financial statements for the 52 weeks ended 29 April 1995.

Principal activities, trading review and future developments

Historically the company has been engaged in the undertaking of building construction and property developments. Since 28 April 1990, the company has continued to run down its operations.

During the year ended 30 April 1994 the company disposed of the remainder of its development properties.

Results

The loss for the period after taxation amounted to £23,000 (1994 profit - £303,000). The directors do not recommend payment of a dividend, and the loss has therefore been transferred to reserves.

Share Capital

At an Extraordinary General Meeting held on 28 February 1995, a special resolution was passed to increase the authorised share capital by the creation of an additional 3,411,000 £1 ordinary shares. On the same date 3,415,000 ordinary shares of £1 each were allotted to Somerfield Trading Group Limited, an intermediate parent undertaking, at a subscription price of £1 per share.

Directors and their interests

The directors during the period were as follows:

P R Coates
S M Gatto
S M Grant
E H Sharp

No director had any interest in the share capital of the company during the period.

The interests of E H Sharp in the share capital of Isosceles PLC, a parent undertaking, are shown in that company's financial statements.

No director had directly, or indirectly, a material interest in any contract significant to the company's business during the period under review.

During the period a parent undertaking purchased and maintained liability insurance of directors and certain employees as permitted under section 310 (3) of the Companies Act 1985.

HEADWAY CONSTRUCTION COMPANY LIMITED

REPORT OF THE DIRECTORS

Auditors

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

Statement of directors' responsibilities in relation to the financial statements


The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on pages 4 to 10 the company has used appropriate accounting policies, consistently applied on a going concern basis and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors 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.

On behalf of the board


S M GRANT
Secretary

Registered Office
Somersfield House
Whitchurch Lane
Bristol BS14 0TJ

7 September 1995

**REPORT OF THE AUDITORS TO THE MEMBERS OF
HEADWAY CONSTRUCTION COMPANY LIMITED**

We have audited the accounts on pages 4 to 10, which have been prepared under the historical cost convention and on the basis of 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 accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 29 April 1995 and of its loss for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Chartered Accountants
Registered Auditor
BRISTOL

John Sept 1995

HEADWAY CONSTRUCTION COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 29 APRIL 1995

	Note	1995 52 weeks Discontinued Operations £000	1994 53 weeks Discontinued Operations £000
Turnover	2	-	3,073
Costs and overheads less other income	3	<u>(152)</u>	<u>(3,242)</u>
Loss on ordinary activities before interest		(152)	(169)
Interest receivable/(payable) and similar charges	4	<u>63</u>	<u>(2,528)</u>
Loss on ordinary activities before taxation		(89)	(2,697)
Tax on loss on ordinary activities	6	<u>66</u>	<u>3,000</u>
(Loss)/profit on ordinary activities after taxation retained for the period	10	<u><u>(23)</u></u>	<u><u>303</u></u>

Recognised gains and losses

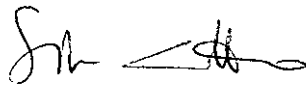
There are no recognised gains or losses other than the loss attributable to shareholders of the company of £23,000 in the 52 weeks ended 29 April 1995 and profit of £303,000 in the 53 weeks ended 30 April 1994.

HEADWAY CONSTRUCTION COMPANY LIMITED

BALANCE SHEET AT 29 APRIL 1995

	Note	1995 £000	1994 £000
CURRENT ASSETS			
Debtors	7	3,164	3,063
Cash at bank		<u>-</u>	<u>1</u>
		3,164	3,064
CREDITORS: Amounts falling due within one year			
	8	<u>(275)</u>	<u>(3,567)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>2,889</u></u>	<u><u>(503)</u></u>
CAPITAL AND RESERVES			
Called up share capital	9	32,261	28,846
Profit and loss account	10	<u>(29,372)</u>	<u>(29,349)</u>
EQUITY SHAREHOLDERS' FUNDS		<u><u>2,889</u></u>	<u><u>(503)</u></u>

These financial statements were approved by the Board of Directors on 7 September 1995



Director

HEADWAY CONSTRUCTION COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 29 APRIL 1995**

1 Statement of accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and comply with all applicable accounting standards.

Accounting basis

The immediate parent undertaking has indicated its intention to provide financial support to enable the company to meet its liabilities as they fall due. Therefore the accounts have been prepared on a going concern basis.

Turnover

Turnover is the total amount receivable in respect of amounts billed under completed contracts, excluding value added tax. It is generated from the company's principal activity based solely in the United Kingdom.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences to the extent that they are expected to reverse in the future and is calculated at the rate at which it is estimated that tax will be payable.

2 Turnover

	1995	1994
	£000	£000
Sales on completed contracts	<u>-</u>	<u>3,073</u>

HEADWAY CONSTRUCTION COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 29 APRIL 1995**

3 Costs and overheads less other income

	1995	1994
	£000	£000
Raw materials and consumables	-	3,077
Other operating charges	151	178
Auditors' remuneration	1	1
Other operating income	-	(14)
	<u>152</u>	<u>3,242</u>

4 Interest receivable/(payable) and similar charges

	1995	1994
	£000	£000
Group undertakings	<u>63</u>	<u>(2,528)</u>

5 Directors and employees

There were no employees during the period. (1994 - nil).

There were no emoluments paid or payable to the directors for services to the company, by any group company during the periods ended 29 April 1995 and 30 April 1994.

HEADWAY CONSTRUCTION COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 29 APRIL 1995**

6 Taxation on loss on ordinary activities

Taxation based on the results for the period is made up as follows:

	1995	1994
	£000	£000
Under provision in respect of prior years	(31)	-
Group relief income	97	3,000
	66	3,000

The company is not a close company within the meaning of s 414 Income and Corporation Taxes Act 1988.

7 Debtors

	1995	1994
	£000	£000
Other debtors	-	32
Amounts due from parent undertaking for group relief	3,160	3,000
Corporation tax	-	31
VAT	4	-
	3,164	3,063

8 Creditors: Amounts falling due within one year

	1995	1994
	£000	£000
Trade creditors	10	23
Bank overdraft	3	-
Amounts owed to group companies	160	3,415
VAT	-	107
Accruals and deferred income	102	22
	275	3,567

HEADWAY CONSTRUCTION COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 29 APRIL 1995**

9 Called up share capital

	1994			
	Authorised		Allotted, called up and fully paid	
	Number	£000	Number	£000
Ordinary shares of £1 each	<u>28,850,000</u>	<u>28,850</u>	<u>28,846,000</u>	<u>28,846</u>

	1995			
	Authorised		Allotted, called up and fully paid	
	Number	£000	Number	£000
Ordinary shares of £1 each	<u>32,261,000</u>	<u>32,261</u>	<u>32,261,000</u>	<u>32,261</u>

3,415,000 Ordinary £1 shares were issued at par on 28 February 1995 to Somerfield Trading Group Limited in satisfaction of intercompany indebtedness in order to recapitalise the company.

10 Profit and loss account (deficit)

	£000
At 30 April 1994	(29,349)
Retained loss for the period	<u>(23)</u>
At 29 April 1995	<u>(29,372)</u>

11 Reconciliation of movements in shareholders' funds

	1995 £000	1994 £000
(Loss)/profit attributable to the members of the company	(23)	303
Issue of share capital in the period	<u>3,415</u>	<u>28,646</u>
Net increase/(reduction) in shareholders' funds	3,392	28,949
Opening shareholders' funds	<u>(503)</u>	<u>(29,452)</u>
Closing shareholders' funds	<u><u>2,889</u></u>	<u><u>(503)</u></u>

HEADWAY CONSTRUCTION COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 29 APRIL 1995

12 Contingent liabilities and guarantees

The company has granted a guarantee and a debenture secured by fixed and floating charges over its whole undertaking and assets, whereby it has guaranteed all present and future obligations of Somerfield Holdings Limited ("Somerfield Holdings"), to its syndicate of senior lenders. The maximum principal facilities guaranteed at 29 April 1995 were £550m, which was reduced to £500m on 5 May 1995, of which £464.2m was outstanding on 29 April 1995. No liabilities are expected to arise in respect of the guarantee given by the company.

The liabilities guaranteed by the company are also guaranteed by the other principal UK subsidiary undertakings of Somerfield Holdings on similar terms.

13 Ultimate parent undertaking

The company's ultimate parent undertaking is Voteco Limited, a company registered in the British Virgin Islands.

Somerfield Holdings, registered in England and Wales, is the parent undertaking of the smallest group of undertakings for which group accounts are drawn up and of which the company is a member.

The parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member is Isosceles PLC, registered in Scotland.

Copies of the accounts of Somerfield Holdings can be obtained from Somerfield House, Whitchurch Lane, Bristol, BS14 OTJ. Copies of the accounts of Isosceles PLC are available from Companies House, 100 - 102 George Street, Edinburgh, EH2 3DJ.