

2788272

BOURLION LIMITED

Report and Accounts

31 July 2000



Bourlion Limited

Registered No. 2788272

DIRECTORS

Michael Lysaght
Patrick McElroy

SECRETARY

Patrick McElroy

ACCOUNTANTS

Ernst & Young
Bedford House
16 Bedford Street
Belfast
BT2 7DT

BANKERS

Barclays Bank plc
131 Edgware Road
London
W2 2HT

SOLICITORS

Brian Chase & Cole
20/24 Wrote Street
Basingstoke
Hants

REGISTERED OFFICE

Apex Plaza
Reading
England
RG1 1YE

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 July 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS DEVELOPMENTS

The company is principally engaged in the rental of industrial property.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounts to £130,998 and, is dealt with as shown in the profit and loss account. The directors do not recommend the payment of a dividend.

DIRECTORS

The directors of the company during the year ended 31 July 2000 were those listed on page 1.

DIRECTORS AND THEIR INTERESTS

The directors at 31 July 2000 and their interests in the share capital of the company were as follows:

| | <i>At 31 July 2000</i> | <i>At 31 July 1999</i> |
|-----------------|------------------------|------------------------|
| | <i>Ordinary shares</i> | <i>Ordinary shares</i> |
| Michael Lysaght | 15 | 15 |
| Patrick McElroy | 5 | 5 |

ACCOUNTANTS

Ernst & Young have expressed their willingness to continue in office as accountants and a resolution proposing their reappointment will be submitted at the annual general meeting.

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the special exemptions within part VII of Companies Act 1985.

By order of the board



Secretary

Bourlion Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 July 2000

| | <i>Notes</i> | <i>2000</i> £ | <i>1999</i> £ |
|--|--------------|------------------|------------------|
| TURNOVER | | 358,256 | 352,220 |
| Administrative expenses | | (74,648) | (40,622) |
| OPERATING PROFIT | | 283,608 | 311,598 |
| Other interest receivable and similar income | 2 | 561 | 143 |
| Interest payable and similar charges | | (127,910) | (103,931) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 156,259 | 207,810 |
| Taxation | 3 | 25,261 | 58,382 |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | 130,998 | 149,428 |
| STATEMENT OF RETAINED PROFITS | | | |
| Retained reserves at 1 August 1999 | | 555,810 | 406,382 |
| Profit for the year | | 130,998 | 149,428 |
| | | 686,808 | 555,810 |

RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than those stated in the profit and loss account of £130,998 (1999 - £149,428).

Bourlion Limited

BALANCE SHEET

at 31 July 2000

| | Notes | 2000 £ | 1999 £ |
|--|-------|-------------|-------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 3,320,098 | 2,438,396 |
| CURRENT ASSETS | | | |
| Debtors | 5 | - | 8,531 |
| Cash at bank and in hand | | 15,964 | 4,322 |
| | | 15,964 | 12,853 |
| CREDITORS: amounts falling due within one year | 6 | (2,649,154) | (1,045,339) |
| NET CURRENT LIABILITIES | | (2,633,190) | (1,032,486) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 686,908 | 1,405,910 |
| CREDITORS: amounts falling due after more than one year | | | |
| Bank loans | 7 | - | 850,000 |
| | | 686,908 | 555,910 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 100 | 100 |
| Profit and loss account | 9 | 686,808 | 555,810 |
| Equity Shareholders' Funds | | 686,908 | 555,910 |

The directors confirm that the company is exempt from audit under Section 249A(4) of the Companies Act 1985 and that no notice has been deposited under Section 249B(2) of the Act requiring the company to obtain an audit of its accounts. The directors are responsible for ensuring that the company keeps accounting records which comply with Section 221 of the Act and for preparing accounts 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 its profit or loss for the financial year in accordance with Section 239 of the Act and which otherwise comply with the requirements of the Act relating to the accounts, so far as is applicable to the company.

The directors have taken advantage of the exemptions conferred by part VII the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small company.

 Director

NOTES TO THE ACCOUNTS
at 31 July 2000

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention in accordance with applicable accounting standards.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from the requirement to produce a cashflow statement on the grounds that it is a small company.

Turnover

Turnover represents rental income receivable net of VAT.

Investment properties

Investment properties are accounted for in accordance with SSAP 19, as follows:

- (i) investment properties are revalued annually. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year: and
- (ii) no depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties, and changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

2. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2000 | 1999 |
|-------------------------|------------|------------|
| | £ | £ |
| Other interest received | 561 | 143 |
| | <u>561</u> | <u>143</u> |

3. TAXATION

| | 2000 | 1999 |
|--|---------------|---------------|
| | £ | £ |
| Based on the profit for the year: | | |
| UK corporation tax at 20% (1999 - 30%) | 37,257 | 58,714 |
| Adjustment re prior year | (11,996) | (332) |
| | <u>25,261</u> | <u>58,382</u> |

NOTES TO THE ACCOUNTS
at 31 July 2000

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Bourlion Limited

NOTES TO THE ACCOUNTS at 31 July 2000

4. INVESTMENT PROPERTIES

| | <i>Land and buildings</i> | |
|--|---------------------------|------------------|
| | <i>2000</i> | <i>1999</i> |
| | £ | £ |
| Investment properties at directors' valuation: | | |
| Freehold | 2,438,396 | 2,438,396 |
| Long leasehold | 881,702 | - |
| | <u>3,320,098</u> | <u>2,438,396</u> |

The historical cost of investment properties included at directors' valuation is £3,320,098.

5. DEBTORS

| | <i>2000</i> | <i>1999</i> |
|---------------|-------------|--------------|
| | £ | £ |
| Other debtors | - | 8,531 |
| | <u>-</u> | <u>8,531</u> |

6. CREDITORS: amounts falling due within one year

| | <i>2000</i> | <i>1999</i> |
|---------------------------------|------------------|------------------|
| | £ | £ |
| Bank overdraft | 129,968 | 74,837 |
| Bank loans (note 7) | 1,618,651 | 100,000 |
| Trade creditors | 15,862 | 5,312 |
| Corporation tax | 37,257 | 58,714 |
| Other taxes and social security | 2,191 | 1,800 |
| Other creditors | 700,424 | 700,424 |
| Accruals and deferred income | 144,801 | 104,252 |
| | <u>2,649,154</u> | <u>1,045,339</u> |

Included in other creditors are £500,000 of interest free loans and £200,424 of interest bearing loans. £100,000 of the interest free loans have been provided by the directors.

7. BANK LOAN

| | <i>2000</i> | <i>1999</i> |
|------------------------------|------------------|----------------|
| | £ | £ |
| Amounts repayable: | | |
| In one year or less (note 6) | 1,618,651 | 100,000 |
| Between two and five years | - | 400,000 |
| In more than five years | - | 450,000 |
| | <u>1,618,651</u> | <u>950,000</u> |

The bank loan is wholly repayable in instalments within less than one year and is secured.

Bourlion Limited

NOTES TO THE ACCOUNTS at 31 July 2000

8. SHARE CAPITAL

| | <i>Authorised</i> | |
|----------------------------|---|-------------------|
| | 2000 £ | 1999 £ |
| Ordinary shares of £1 each | 100,000 | 100,000 |
| | <u> </u> | <u> </u> |
| | <i>Allotted, called up and fully paid</i> | |
| | 2000 No. | 1999 No. |
| | | |
| Ordinary shares of £1 each | 100 | 100 |
| | <u> </u> | <u> </u> |

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

| | <i>Share capital £</i> | <i>Profit and loss account £</i> | <i>Total shareholders' funds £</i> |
|---------------------|--------------------------------|--|--|
| At 1 August 1998 | 100 | 406,382 | 406,482 |
| Profit for the year | | 149,428 | 149,428 |
| At 31 July 1999 | 100 | 555,810 | 555,910 |
| Profit for the year | | 130,998 | 130,998 |
| At 31 July 2000 | 100 | 686,808 | 686,908 |

10. RELATED PARTY TRANSACTIONS

Loan finance has been provided to the company by Mr N Quinn and Auriga Investments Limited. Auriga Investments Limited is the majority shareholder. N Quinn is the ultimate controlling party.

The loans provided are as follows:

- Auriga Investments Limited - £400,000 interest free
- N Quinn - £200,424 interest bearing

Loan finance totalling £100,000 has been provided interest free by the directors.