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CLONCURRY HOLDINGS LIMITED

REPORT

AND

ACCOUNTS

31ST MAY 1994



ALLIOTTS  
Chartered Accountants

CLONCURRY HOLDINGS LIMITED

REPORT OF THE DIRECTORS

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The directors present their report and accounts of the group for the year ended 31st May 1994.

1. PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activities of the group are investment in freehold and leasehold properties and vehicle repairing and sales.

During the year the group has continued to make efforts to consolidate internally its property assets by maximising tenures and investigating development potentials. In addition the group is endeavouring to dispose of certain freehold properties in relation to which it is in negotiation with interested parties. The directors will continue in their efforts to reduce the trading losses of certain subsidiaries.

2. STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare accounts 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 accounts 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 accounts;
- prepare the accounts 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 accounts comply with the Companies Act 1985. They are also responsible for safe-guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

3. RESULTS AND DIVIDENDS

The result for the year is set out on page 4. The directors do not recommend the payment of a dividend (1993 - Nil).

CLONCURRY HOLDINGS LIMITED

REPORT OF THE DIRECTORS

4. DIRECTORS AND THEIR SHAREHOLDINGS

The names of the directors who served during the year ended 31st May 1994 and their shareholdings were:

	<u>Ordinary Shares of 25p</u>			
	<u>1994</u>		<u>1993</u>	
	<u>Beneficial</u>	<u>Trustee</u>	<u>Beneficial</u>	<u>Trustee</u>
Mrs A Halfin	163,230	117,930	163,230	117,930
R H Halfin	152,967	362,670	152,967	362,670
A J Halfin	218,489	99,440	218,489	99,440
Mrs F P Clein	157,714	-	157,714	-
Mrs M Halfin	2,375	-	2,375	-
Mrs S J Halfin	67,900	-	67,900	-
M A Clein	18,318	362,670	18,318	362,670
Mrs S R Abensur	67,900	-	67,900	-
D M Clein	67,900	-	67,900	-
S B Halfin	67,900	-	67,900	-
D J Clein	67,900	-	67,900	-

Included in the shareholdings of R H Halfin and Mrs M Halfin are 2,375 shares held in their joint names. Mrs F P Clein and M A Clein also jointly hold 7,125 shares which are shown in their individual shareholdings.

5. ROTATION AND APPOINTMENT OF DIRECTORS

Mrs A Halfin, Mrs F P Clein, Mr M A Clein and Mrs S R Abensur retire by rotation and, being eligible, offer themselves for re-election.

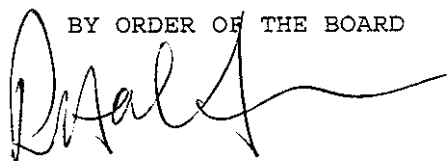
6. FIXED ASSETS

Details of significant changes in fixed assets are shown in note 8 to the accounts.

7. AUDITORS

The auditors, Alliotts, have indicated their willingness to be reappointed in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



SECRETARY

REPORT OF THE AUDITORS TO THE MEMBERS OF

CLONCURRY HOLDINGS LIMITED

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We have audited the accounts on pages 4 to 14.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, 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, of 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 consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement, 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.

FUNDAMENTAL UNCERTAINTY

In forming our opinion we have considered the validity of the going concern basis adopted in these accounts. As explained in Note 1, these accounts have been drawn up on the basis that the group's bankers continue to provide support to the group.

In view of the significance of these uncertainties we consider that they should be drawn to you attention but our opinion is not qualified in this respect.

OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group as at 31st May 1994 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Alliotts  
Chartered Accountants and Registered Auditors

96 High Street  
Guildford  
Surrey GU1 3DL

Date 30<sup>th</sup> March 1995

CLONCURRY HOLDINGS LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MAY 1994

	<u>Note</u>	<u>1994</u> £	<u>1993</u> £
Turnover	2	808,315	1,049,530
Cost of sales		(539,002)	(804,817)
Gross profit		269,313	244,713
Administrative expenses		(218,370)	(354,571)
Operating profit (loss)		50,943	(109,858)
Other interest receivable and similar income		50	48
Interest payable	4	(313,261)	(382,314)
(Loss) on ordinary activities before taxation	2 & 5	(262,268)	(492,124)
Taxation	7	-	-
(Loss) for the financial year	15	£(262,268)	£(492,124)

The movement in reserves is shown in note 15 to the accounts.

The results for the year and previous year as set out above have been derived entirely from continuing operations.

CLONCURRY HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT (CONTINUED)

FOR THE YEAR ENDED 31ST MAY 1994

SUMMARY OF TOTAL RECOGNISED GAINS AND LOSSES

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
(Loss) for the financial year	(262,268)	(492,124)
Unrealised surplus on revaluation of properties	50,000	78,067
Total recognised gains and losses relating to the year	<u>£(212,268)</u>	<u>£414,057</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Reported (loss) on ordinary activities before taxation	(262,268)	(492,124)
Realisation of property revaluation gains of previous years	378,720	427,104
Historical cost profit (loss) on ordinary activities before taxation and retained after taxation	<u>£116,452</u>	<u>£(65,020)</u>

CLONCURRY HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31ST MAY 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	8	4,298,633	4,714,096
<u>CURRENT ASSETS</u>			
Stocks and work in progress		7,120	8,225
Debtors	10	81,131	138,217
Cash at bank and in hand		8,965	983
		<u>97,216</u>	<u>147,425</u>
<u>CREDITORS</u> : Amounts falling due within one year	11	(2,676,042)	(2,899,780)
<u>NET CURRENT (LIABILITIES)</u>		<u>(2,578,826)</u>	<u>(2,752,355)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>1,719,807</u>	<u>1,961,741</u>
<u>CREDITORS</u> : Amounts falling due after more than one year	12	(788,513)	(818,179)
<u>NET ASSETS</u>		<u>£931,294</u>	<u>£1,143,562</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	13	243,798	243,798
Revaluation reserve	14	2,544,973	2,873,693
Profit and loss account	15	(1,857,477)	(1,973,929)
Total attributable to equity shareholders		<u>£931,294</u>	<u>£1,143,562</u>

APPROVED BY THE BOARD  
ON 30-3-95

AND SIGNED ON ITS BEHALF BY

DIRECTOR

CLONCURRY HOLDINGS LIMITED

BALANCE SHEET

AS AT 31ST MAY 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		£	£
<u>FIXED ASSETS</u>			
Investments	9	242,000	242,000
<u>CURRENT ASSETS</u>			
Debtors	10	491,152	664,110
<u>CREDITORS:</u> Amounts falling due within one year	11	(490,526)	(618,017)
<u>NET CURRENT ASSETS</u>		626	46,093
<u>CREDITORS:</u> Amounts falling due after more than one year	12	(164,882)	(169,357)
<u>NET ASSETS</u>		£77,744	£118,736
<u>CAPITAL AND RESERVES</u>			
Called up share capital	13	243,798	243,798
Profit and loss account	15	(166,054)	(125,062)
Total attributable to equity shareholders		£77,744	£118,736

APPROVED BY THE BOARD

ON 30/3/95 AND SIGNED ON ITS BEHALF BY

DIRECTOR





CLONCURRY HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1994

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1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts have been prepared under the historical cost convention as adjusted by the revaluation of the freehold and leasehold properties. They have been drawn up under the provisions of the Companies Act 1985.

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

b) Consolidation

The consolidated accounts comprise the accounts of the company and of its subsidiaries.

The company has taken advantage of the concessions granted under the Companies Act 1985 and accordingly no profit and loss account of the company has been included with these accounts.

c) Going Concern

The accounts are prepared on the going concern basis on the assumption that the group's bankers will continue to support the group until certain freehold properties are sold and that the proceeds from those sales will be sufficient to clear the group's indebtedness.

d) Fixed Assets

The freehold and leasehold properties have been valued at current use value as at May 1994 by a director, Mr M A Klein, who is a fellow of the Royal Institution of Chartered Surveyors and a fellow of the Society of Valuers and Auctioneers.

e) Depreciation

No depreciation is provided on the freehold and leasehold properties. All other assets are depreciated in order to write off cost over their estimated useful lives. The rates used are as follows:

Plant, fixtures and fittings -	15% - 20% on cost
Motor vehicles -	20 - 25% on cost

(f) Stock and Work in Progress

Stock and work in progress are valued at the lower of cost and net realisable value.

CLONCURRY HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1994

(g) Deferred Taxation

No provision is made for corporation tax at 33% which would become payable if the revalued properties were sold. The liability is stated in Note 8.

(h) Goodwill

Goodwill arising on consolidation has been written off against reserves in accordance with Statement of Standard Accounting Practice No. 22.

2. TURNOVER

Turnover represents the invoiced amount of goods and properties sold and services provided net of value added tax and rent receivable. Turnover and pre-tax (loss) is attributable to the following activities:

	<u>1994</u>		<u>1993</u>	
	<u>Turnover</u>	<u>Profit</u>	<u>Turnover</u>	<u>Profit</u>
	£	(Loss)	£	(Loss)
Motor car sales/repairs	136,929	7,731	156,783	(40,889)
Property letting	204,801	(224,292)	207,680	(355,622)
Property management	-	-	-	-
Property sales	458,285	(4,715)	678,208	(25,616)
Group administration	-	(40,992)	-	(69,997)
Administrative services	8,300	-	6,859	-
	<u>£808,315</u>	<u>£(262,268)</u>	<u>£1,049,530</u>	<u>£(492,124)</u>

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the group (including directors) during the year was 12 (1993 - 12). The aggregate payroll costs of these persons were as follows:

	<u>1994</u>	<u>1993</u>
	£	£
Wages and salaries	44,435	137,905
Social security costs	4,350	13,541
Other pension costs	-	-
	<u>£48,785</u>	<u>£151,446</u>

CLONCURRY HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1994

4. <u>INTEREST PAYABLE</u>	<u>1994</u> £	<u>1993</u> £
On bank overdrafts and loans repayable within five years	241,411	288,827
Interest on loans repayable outside five years	69,353	93,201
Other interest	2,497	286
	<hr/>	<hr/>
	£313,261	£382,314
	<hr/>	<hr/>
5. <u>(LOSS) BEFORE TAXATION</u>	<u>1994</u> £	<u>1993</u> £
(Loss) before taxation is stated after charging (crediting) the following:		
Auditors' remuneration	12,995	13,814
Depreciation	1,856	5,629
Directors' emoluments	23,192	122,538
(Profit) on sale of assets	(2,198)	-
Interest receivable and similar income	(50)	(48)
	<hr/>	<hr/>
6. <u>DIRECTORS' EMOLUMENTS</u>	<u>1994</u>	<u>1993</u>
The emoluments of the highest paid director excluding pension contributions were	£9,305	£30,166
	<hr/>	<hr/>
The number of other directors receiving emoluments in the following bands were:		
Nil - £5,000	10	6
£15,001 - £20,000	-	3
£25,001 - £30,000	-	1

7. TAXATION

No liability to corporation tax arises due to the loss for the year.

CLONCURRY HOLDINGS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31ST MAY 1994

8. TANGIBLE FIXED ASSETS

a) Group	<u>Freehold Property</u>	<u>Long Leasehold Property</u>	<u>Plant Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost and Valuation:</u>					
At 1st June 1993	4,483,000	225,000	91,312	13,066	4,812,378
Additions	-	-	-	-	-
Disposals	(408,000)	(55,000)	(4,222)	(13,066)	(480,288)
Revaluation reserve (Note 14)	20,000	30,000	-	-	50,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31st May 1994	£4,095,000	£200,000	£87,090	-	£4,382,090
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Cost	1,587,240	162,787	87,090	-	1,837,117
Revaluation	2,507,760	37,213	-	-	2,544,973
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	£4,095,000	£200,000	£87,090	-	£4,382,090
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Depreciation:</u>					
At 1st June 1993	-	-	85,218	13,064	98,282
Charge for the year	-	-	1,856	-	1,856
Written off on disposals	-	-	(3,617)	(13,064)	(16,681)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31st May 1994	-	-	£83,457	-	£83,457
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>Net Book Value:</u>					
At 31st May 1994	£4,095,000	£200,000	£3,633	-	£4,298,633
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31st May 1993	£4,483,000	£225,000	£6,094	£2	£4,714,096
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

If the freehold and long leasehold properties were sold at their valuation a tax liability of £190,000 (1993 - £567,000) would arise.

b) The parent company has no tangible fixed assets.

CLONCURRY HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1994

9. INVESTMENTS Company
- a) Investments in subsidiary undertakings at cost  
At 1st June 1993 and at 31st May 1994 £242,000
- b) The subsidiary undertakings at 31st May 1994, all of which were registered in England together with their activities are as follows:

<u>Subsidiary Undertaking</u>	<u>Activity</u>	<u>Holding (Ord shares)</u>	
		<u>Company</u>	<u>Subsidiary Under-takings</u>
Central Automobile Company (Chelsea) Limited	Property letting and motor vehicle dealing and repair	100%	
Parsons Investments	Property rental	100%	
Lensam Properties Limited	Non-trading	9.1%	90.9%

10. <u>DEBTORS</u>	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Trade debtors	39,166	49,252	-	-
Amounts owed by group undertakings	-	-	490,315	645,273
Other debtors	38,994	85,442	837	18,837
Prepayments	2,971	3,523	-	-
	<u>£81,131</u>	<u>£138,217</u>	<u>£491,152</u>	<u>£664,110</u>

CLONCURRY HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1994

11. <u>CREDITORS</u>	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Amounts falling due within one year:				
Bank loans and overdrafts	2,388,613	2,583,845	434,609	410,059
Obligations under finance leases	-	1,313	-	-
Loan from Director	5,000	5,000	5,000	5,000
Trade creditors	414	3,135	-	-
Amounts owed to group undertakings	-	-	1,000	165,256
Other taxation and social security	83,672	66,767	26,983	14,341
Other creditors	9,938	1,543	2,862	1,467
Accruals and deferred income	188,405	238,177	20,072	21,894
	<u>£2,676,042</u>	<u>£2,899,780</u>	<u>£490,526</u>	<u>£618,017</u>

The bank loans and overdrafts are secured by a charge over the freehold and leasehold properties of the group.

12. <u>CREDITORS</u>	<u>Group</u>		<u>Company</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	£	£	£	£
Amounts falling due after more than one year:				
Loan repayable within five years -				
Bank loan	96,000	96,000	-	-
Loan from Director	20,000	20,000	20,000	20,000
Loans repayable after more than five years -				
Bank loan	527,631	552,822	-	-
Loan from Director	144,882	149,357	144,882	149,357
	<u>£788,513</u>	<u>£818,179</u>	<u>£164,882</u>	<u>£169,357</u>

The bank loans carry an interest rate which during the year varied between 6% and 7.5%.

CLONCURRY HOLDINGS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1994

13.	<u>SHARE CAPITAL</u>	<u>1994</u>	<u>1993</u>
	Authorised:		
	1,000,000 ordinary shares of 25p	£250,000	£250,000
	Allotted, called up and fully paid:		
	975,193 ordinary shares of 25p	£243,798	£243,798
14.	<u>REVALUATION RESERVE</u>		<u>Group</u>
			£
	At 1st June 1993		2,873,693
	Surplus on revaluation of freehold property (Note 8)		50,000
	Transfer on sale of properties		(378,720)
	At 31st May 1994		£2,544,973
15.	<u>REVENUE RESERVE</u>	<u>Group</u>	<u>Company</u>
		£	£
	(Deficit) at 1st June 1993	(1,973,929)	(125,062)
	(Loss) for the year	(262,268)	(40,992)
	Transfer on sale of properties	378,720	-
	(Deficit) at 31st May 1994	£(1,857,477)	£(166,054)
16.	<u>CONTINGENT LIABILITY</u>		
	The company is party to a composite guarantee made to the company's bankers to guarantee the bank overdrafts of group companies. The potential liability under this guarantee is £1,919,403 (1993 - £2,139,870).		