

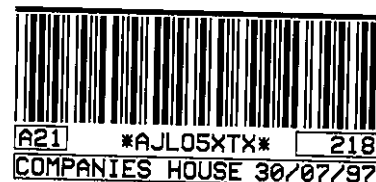
INTEGRA PROPERTY INVESTMENTS LIMITED  
(Formerly INTEGRA (BRIGHTON) LIMITED)

DIRECTORS' REPORT  
AND  
FINANCIAL STATEMENTS

Year ended 30 SEPTEMBER 1996

Company Number: 2829158

HILTON SHARP & CLARKE  
Chartered Accountants  
30 New Road  
Brighton  
BN1 1BN



## INTEGRA PROPERTY INVESTMENTS LIMITED

## DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 30 September 1996.

## PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company throughout the year continued to be that of building and public works contracting.

The results for the year are set out on page 4. The directors consider the company's financial position at the year end to be satisfactory.

On 16 September 1996 the company changed its name from Integra (Brighton) Limited to Integra Property Investments Limited. On 1 October 1996 it transferred its entire building and public works contracting business to its wholly owned subsidiary, Integra (Brighton) Limited, which was formed specifically for this purpose. Since 1 October 1996 Integra Property Investments Limited has held freehold properties for investment in Integra (Brighton) Limited.

## DIVIDENDS AND APPROPRIATIONS

The directors recommended that a dividend of £10,695 (1995: £10,200) be paid during the year. The balance on the profit and loss account is to be transferred to reserves and carried forward.

The directors do not recommend that a final dividend is paid and the retained profit of £66,993 be carried to reserves.

## MARKET VALUE OF LAND AND BUILDINGS

Freehold property and land shown in the Balance Sheet at £3,843 (1995: £3,843) has a market value in excess of that shown, but no formal revaluation is proposed.

## DIRECTORS AND INTERESTS IN SHARES

The directors of the company who served during the year and number of shares in which they had an interest, as defined by the Companies Act 1985, were as follows:

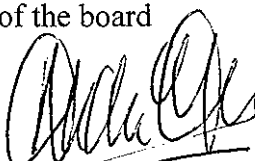
|            | Ordinary shares of £1 each |     |     |
|------------|----------------------------|-----|-----|
|            | Ordinary                   | 'A' | 'B' |
| J. McNulty | 1                          | 1   | -   |
| J. Wright  | 1                          | -   | 1   |

## AUDITORS

A resolution will be proposed at the Annual General Meeting to re-appoint Messrs Hilton Sharp & Clarke as auditors.

By order of the board

A. FLUX  
Secretary



Registered office:

30 New Road  
Brighton  
East Sussex  
BN1 1BN

## INTEGRA PROPERTY INVESTMENTS LIMITED

### 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:

1. select suitable accounting policies and then apply them consistently;
2. make judgments and estimates that are reasonable and prudent;
3. 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.

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
INTEGRA PROPERTY INVESTMENTS LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and 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 financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HILTON SHARP AND CLARKE  
Chartered Accountants  
and Registered Auditor

9 May 1997

## INTEGRA PROPERTY INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

For the Year ended 30 SEPTEMBER 1996

|   | Note | 1996<br>£          | 1995<br>£        |
|---|------|--------------------|------------------|
| TURNOVER                                  | 1    | 1,507,944          | 745,976          |
| Cost of sales                             |      | <u>(1,327,265)</u> | <u>(651,131)</u> |
| GROSS PROFIT                              |      | 180,679            | 94,845           |
| Administrative expenses                   |      | <u>(86,111)</u>    | <u>(42,639)</u>  |
| OPERATING PROFIT                          | 3    | 94,568             | 52,206           |
| Income from other fixed asset investments |      | 16,138             | 10,479           |
| Interest receivable and similar income    | 2    | 1,797              | -                |
| Interest payable and similar charges      | 6    | <u>(7,563)</u>     | <u>(5,474)</u>   |
| PROFIT ON ORDINARY ACTIVITIES             |      | 104,940            | 57,211           |
| BEFORE TAXATION                           |      |                    |                  |
| Taxation                                  | 7    | <u>(27,252)</u>    | <u>(11,333)</u>  |
| PROFIT ON ORDINARY ACTIVITIES             |      | 77,688             | 45,878           |
| AFTER TAXATION                            |      |                    |                  |
| Dividends                                 | 8    | <u>(10,695)</u>    | <u>(10,200)</u>  |
| RETAINED PROFIT FOR THE YEAR              |      | 66,993             | 35,678           |
| Retained profit brought forward           |      | <u>52,966</u>      | <u>17,288</u>    |
| RETAINED PROFIT CARRIED FORWARD           |      | <u>£ 119,959</u>   | <u>£ 52,966</u>  |

The notes on pages 6 to 11 form part of these financial statements.

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the accumulated loss for the year stated above and their historical cost equivalents.

There were no discontinued operations during the year.

## INTEGRA PROPERTY INVESTMENTS LIMITED

## BALANCE SHEET

As at 30 SEPTEMBER 1996

|   | Note | £                | 1996<br>£        | £                | 1995<br>£       |
|---|------|------------------|------------------|------------------|-----------------|
| FIXED ASSETS  |      |                  |                  |                  |                 |
| Tangible assets   | 9    |                  | 11,228           |                  | 17,228          |
| CURRENT ASSETS  |      |                  |                  |                  |                 |
| Stocks  | 10   | 146,186          |                  | 85,000           |                 |
| Debtors   | 11   | 191,595          |                  | 102,131          |                 |
| Cash at bank and in hand                                |      | 14,180           |                  | 44,497           |                 |
|   |      | <u>351,961</u>   |                  | <u>231,628</u>   |                 |
| CREDITORS: amounts falling due within one year          | 12   | <u>(170,775)</u> |                  | <u>(147,165)</u> |                 |
| NET CURRENT ASSETS                                      |      |                  | 181,186          |                  | 84,463          |
| TOTAL ASSETS LESS CURRENT LIABILITIES                   |      |                  | <u>192,414</u>   |                  | <u>101,691</u>  |
| CREDITORS: amounts falling due after more than one year |      |                  |                  |                  |                 |
|   | 13   |                  | <u>(72,451)</u>  |                  | <u>(48,721)</u> |
|   |      |                  | <u>£ 119,963</u> |                  | <u>£ 52,970</u> |
| CAPITAL AND RESERVES                                    |      |                  |                  |                  |                 |
| Called up share capital                                 | 16   |                  | 4                |                  | 4               |
| Profit and loss account                                 |      |                  | 119,959          |                  | 52,966          |
| SHAREHOLDERS' FUNDS                                     | 17   |                  | <u>£ 119,963</u> |                  | <u>£ 52,970</u> |
| Non-equity shareholders funds                           |      |                  |                  |                  |                 |
| Equity shareholders funds                               |      |                  | 2                |                  | 2               |
|   |      |                  | 119,961          |                  | 52,968          |
|   |      |                  | <u>£ 119,963</u> |                  | <u>£ 52,970</u> |

The notes on pages 6 to 11 form part of these financial statements.

Approved by the board on: 9 May 1997

J. McNULTY

J. WRIGHT

Directors

# INTEGRA PROPERTY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 SEPTEMBER 1996

### 1. ACCOUNTING POLICIES

#### Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

#### Turnover

Turnover is disclosed net of value added tax .

#### Depreciation

Tangible fixed assets, excluding freehold land and buildings, are being depreciated so as to write them off over their anticipated useful lives at the following annual rates:

|                  |   |     |         |
|------------------|---|-----|---------|
| Motor vehicles   | - | 25% | on cost |
| Office equipment | - | 25% | on cost |

No depreciation has been provided on the freehold property because it is the practice of the company to maintain the property in a continual state of sound repair. For this reason the life is considered so long and the residual value sufficiently high that the depreciation is insignificant.

#### Finance lease and hire purchase contracts

Where assets are financed by entering into finance lease or hire purchase contracts which give risks and rewards approximating to ownership they are treated as if they had been purchased outright on credit and are included in tangible fixed assets. The capital element of the agreements is shown as obligations under finance lease and hire purchase contracts. Leasing and hire purchase payments are treated as consisting of a capital element, which reduces the liability, and an interest element, which is charged against profit in proportion to the reducing capital element outstanding.

#### Stock and work in progress

Stock of land and properties is stated at the lower of cost and net realisable value.

#### Pensions

The company operates an externally administered defined contribution pension scheme. Premiums payable are charged to the profit and loss account as they fall due.

### 2. INTEREST RECEIVABLE AND SIMILAR INCOME

|                               | 1996<br>£      | 1995<br>£  |
|-------------------------------|----------------|------------|
| Bank deposit account interest | <u>£ 1,797</u> | <u>£ -</u> |

INTEGRA PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 30 SEPTEMBER 1996

3. OPERATING PROFIT

The operating profit is stated after charging:

|                                       | 1996<br>£         | 1995<br>£         |
|---------------------------------------|-------------------|-------------------|
| Depreciation of tangible fixed assets | 647               | 647               |
| - held under H.P. contracts           | 5,353             | 5,353             |
| Directors' emoluments                 | 15,000            | 13,175            |
| Auditors' remuneration - audit fees   | 2,180             | 1,250             |
|                                       | <u>          </u> | <u>          </u> |

4. STAFF COSTS

The average monthly number of employees, including directors, during the year was 3(1995 - 3)

Staff costs, including the directors, were as follows:

|                       | 1996<br>£       | 1995<br>£       |
|-----------------------|-----------------|-----------------|
| Wages and salaries    | 42,489          | 16,220          |
| Social security costs | 2,819           | 373             |
| Other pension costs   | 2,400           | 2,400           |
|                       | <u>£ 47,708</u> | <u>£ 18,993</u> |

5. DIRECTORS' EMOLUMENTS

|                           |                 |                 |
|---------------------------|-----------------|-----------------|
| For services as directors | 12,600          | 10,775          |
| Pension costs             | 2,400           | 2,400           |
|                           | <u>£ 15,000</u> | <u>£ 13,175</u> |

6. INTEREST PAYABLE

On bank loans, overdrafts and other loans, wholly repayable

- within 5 years, not by instalments

On hire purchase agreements

|  |                |                |
|--|----------------|----------------|
|  | 7,010          | 4,921          |
|  | 553            | 553            |
|  | <u>£ 7,563</u> | <u>£ 5,474</u> |

7. TAXATION

Based on the results for the year:

|  |                 |                 |
|--|-----------------|-----------------|
| UK Corporation Tax at 24.5%(1995: 25%)         | 24,304          | 11,893          |
| Underprovided/(overprovided) in previous years | 2,948           | (560)           |
|  | <u>£ 27,252</u> | <u>£ 11,333</u> |



INTEGRA PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 30 SEPTEMBER 1996

8. DIVIDENDS

|                | 1996<br>£       | 1995<br>£       |
|----------------|-----------------|-----------------|
| Dividends paid | <u>£ 10,695</u> | <u>£ 10,200</u> |

9. TANGIBLE ASSETS

|                       | Land &<br>Buildings<br>£ | Office<br>Equipment<br>£ | Motor<br>Vehicles<br>£ | Total<br>£      |
|-----------------------|--------------------------|--------------------------|------------------------|-----------------|
| Cost                  |                          |                          |                        |                 |
| At 1 October 1995 and |                          |                          |                        |                 |
| At 30 September 1996  | <u>3,843</u>             | <u>2,587</u>             | <u>21,413</u>          | <u>£ 27,843</u> |
| Depreciation          |                          |                          |                        |                 |
| At 1 October 1995     | -                        | 959                      | 9,656                  | 10,615          |
| Charge for year       | -                        | 647                      | 5,353                  | 6,000           |
| At 30 September 1996  | <u>-</u>                 | <u>1,606</u>             | <u>15,009</u>          | <u>£ 16,615</u> |
| Net Book Value        |                          |                          |                        |                 |
| At 30 September 1996  | <u>£ 3,843</u>           | <u>£ 981</u>             | <u>£ 6,404</u>         | <u>£ 11,228</u> |
| At 30 September 1995  | <u>£ 3,843</u>           | <u>£ 1,628</u>           | <u>£ 11,757</u>        | <u>£ 17,228</u> |

Included above are assets held under finance leases or hire purchase contracts as follows:

|                | 1996<br>£      | 1995<br>£      |
|----------------|----------------|----------------|
| Motor vehicles | <u>£ 4,304</u> | <u>£ 8,607</u> |

10. STOCKS

|                              |                  |                 |
|------------------------------|------------------|-----------------|
| Stock of land and properties | 111,186          | 60,000          |
| Work in Progress             | 35,000           | 25,000          |
|                              | <u>£ 146,186</u> | <u>£ 85,000</u> |

11. DEBTORS

|                                |                  |                  |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 176,040          | 100,782          |
| Other debtors                  | 14,560           | 369              |
| Prepayments and accrued income | 995              | 980              |
|                                | <u>£ 191,595</u> | <u>£ 102,131</u> |

INTEGRA PROPERTY INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 30 SEPTEMBER 1996

12. CREDITORS: amounts falling due within one year

|   | 1996<br>£        | 1995<br>£        |
|---|------------------|------------------|
| Bank loans and overdrafts (note 15)                                       | 10,576           | 2,984            |
| Trade creditors   | 100,958          | 92,263           |
| Obligations under finance leases<br>and hire purchase contracts (note 14) | 3,448            | 3,762            |
| Corporation tax   | 24,304           | 11,893           |
| Other taxation and social security  | 11,901           | 27,215           |
| Other creditors   | 3,000            | 7,448            |
| Directors' loan account   | 10,713           | -                |
| Accruals and deferred income  | 5,875            | 1,600            |
|   | <u>£ 170,775</u> | <u>£ 147,165</u> |

13. CREDITORS: amounts falling due after more than one year

|  |                 |                 |
|--|-----------------|-----------------|
| Loans  | 72,451          | 45,273          |
| Obligations under finance lease and<br>hire purchase contracts (note 14) | -               | 3,448           |
|  | <u>£ 72,451</u> | <u>£ 48,721</u> |
| Included within the above are loans falling due as follows:              |                 |                 |
| within 2-5 years   | 50,698          | 37,199          |
| in more than 5 years   | <u>21,753</u>   | <u>8,074</u>    |

Finance lease and hire purchase creditors are secured on the assets concerned.

14. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

The minimum lease payments to which the company was committed at 30 September 1996 were as follows:

|  | 1996<br>£      | 1995<br>£      |
|--|----------------|----------------|
| Gross obligations:                         |                |                |
| Due within one year                        | 3,955          | 4,315          |
| Due within two to five years               | -              | 3,955          |
|  | <u>3,955</u>   | <u>8,270</u>   |
| Less: Interest allocated to future periods | (507)          | (1,060)        |
|  | <u>£ 3,448</u> | <u>£ 7,210</u> |
| Due within one year (note 12)              | 3,448          | 3,762          |
| Due after more than one year (note 13)     | -              | 3,448          |
|  | <u>£ 3,448</u> | <u>£ 7,210</u> |

## INTEGRA PROPERTY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 30 SEPTEMBER 1996

## 15. LOANS

Creditors include loans not wholly repayable within 5 years as follows:

|                                       | 1996<br>£       | 1995<br>£       |
|---------------------------------------|-----------------|-----------------|
| Repayable by instalments falling due: |                 |                 |
| - within 5 years                      | 61,274          | 37,199          |
| - after 5 years                       | 21,753          | 8,074           |
|                                       | <u>£ 83,027</u> | <u>£ 45,273</u> |

The bank loans have been analysed according to their repayment schedules, however in accordance with normal bank practice, in the event of a default they are repayable on demand. This treatment is not in accordance with Financial Reporting Standard No. 4 because it is not anticipated that the bank will call for early repayment.

The bank loans are repayable by equal monthly installments and are secured over the freehold property held in stock and work in progress. Interest is payable on the loans at 3.5% above the AIB base rate.

## 16. CALLED UP SHARE CAPITAL

|                                    |            | 1996<br>£    | 1995<br>£    |
|------------------------------------|------------|--------------|--------------|
| Authorised:                        | Type:      |              |              |
| 100 Ordinary shares of £1 each     | Equity     | 100          | 100          |
| 10 'A' Ordinary shares of £1 each  | Non-equity | 10           | 10           |
| 10 'B' Ordinary shares of £1 each  | Non-equity | 10           | 10           |
|                                    |            | <u>£ 120</u> | <u>£ 120</u> |
| Allotted, called up and fully paid |            |              |              |
| 2 Ordinary shares of £1 each       | Equity     | 2            | 2            |
| 1 'A' Ordinary shares of £1 each   | Non-equity | 1            | 1            |
| 1 'B' Ordinary share of £1 each    | Non-equity | 1            | 1            |
|                                    |            | <u>£ 4</u>   | <u>£ 4</u>   |

The non-equity shares carry no rights to participation on winding up and no voting rights but otherwise rank pari passu with the equity shares.

## INTEGRA PROPERTY INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 30 SEPTEMBER 1996

## 17. RECONCILIATION OF THE MOVEMENTS IN SHAREHOLDERS' FUNDS

|                                     | 1996             | 1995            |
|-------------------------------------|------------------|-----------------|
|                                     | £                | £               |
| Profit for the financial year       | 77,688           | 45,878          |
| Dividends                           | (10,695)         | (10,200)        |
| Net addition to shareholders' funds | <u>66,993</u>    | <u>35,678</u>   |
| Opening shareholders' funds         | 52,970           | 17,292          |
| Closing shareholders' funds         | <u>£ 119,963</u> | <u>£ 52,970</u> |

## 18. CAPITAL COMMITMENTS

At 30 September 1996 the company had capital commitments as follows:

|   | 1996            | 1995       |
|---|-----------------|------------|
|   | £               | £          |
| Contracted for but not provided in these accounts | <u>£ 40,000</u> | <u>£ -</u> |

## 19. PENSION SCHEME

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,400 (1995- £2,400)