

Company No: 3049506

**HOLAW (332) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**31 MAY 1998**



## **HOLAW (332) LIMITED**

### **OFFICERS AND ADVISERS**

---

#### **DIRECTORS**

A R Goldsmith  
N J Simpson

#### **SECRETARY**

S T Walden

#### **REGISTERED OFFICE**

32 Savile Row  
London W1X 1AG

#### **AUDITORS**

Baker Tilly  
The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

#### **SOLICITORS**

Julian Holy  
31 Brechin Place  
London SW7 4QD

## **HOLAW (332) LIMITED**

### **DIRECTORS' REPORT**

---

The Directors submit their annual report and the audited financial statements for the year ended 31 May 1998.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was property investment.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

In the opinion of the directors, the result for the year was satisfactory given the prevailing property market. They consider that the financial position of the company at 31 May 1998 was satisfactory.

#### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

#### **DIRECTORS**

The following directors have held office since 1 June 1997:

A R Goldsmith

N J Simpson (appointed 20 December 1997)

#### **DIRECTORS' INTERESTS IN SHARES**

Neither of the directors had a beneficial interest in the share capital of the company at any time during the year.

A R Goldsmith held all of the issued shares of the ultimate holding company, Prestigic Holdings Limited, at 31 May 1998.

#### **INVESTMENT PROPERTY**

The investment property held at 31 May 1998 was valued as at that date at £900,000 by the directors, which resulted in a revaluation surplus for the year of £ Nil before accounting for joint venture partners profit share.

**HOLAW (332) LIMITED**

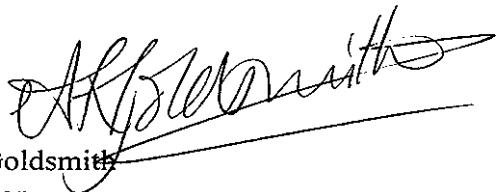
**DIRECTORS' REPORT (continued)**

---

**AUDITORS**

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the Board

  
A R Goldsmith  
Director

## **HOLAW (332) LIMITED**

### **DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS**

---

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 year. In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

## REPORT OF THE AUDITORS TO THE MEMBERS OF HOLAW (332) LIMITED

---

We have audited the financial statements on pages 6 to 14.

### **Respective responsibilities of Directors and auditors**

As described on page 4, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

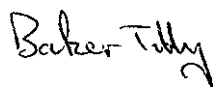
### **Basis of opinion**

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 judgements 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 May 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Chartered Accountants  
and Registered Auditors

The Clock House  
140 London Road  
Guildford  
Surrey GU1 1UW

**HOLAW (332) LIMITED****PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 May 1998**

	Notes	1998 £	1997 £
<b>TURNOVER</b>	1	68,000	73,804
Administrative expenses		(9,400)	(8,090)
Interest payable	2	(57,346)	(62,278)
<b>OPERATING PROFIT</b>		<u>1,254</u>	<u>3,436</u>
Profit attributable to joint venturer		(627)	(1,718)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	<u>627</u>	<u>1,718</u>
Taxation	5	-	-
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<u>627</u>	<u>1,718</u>
Dividends		-	-
<b>RETAINED PROFIT FOR THE YEAR</b>	13	<u><u>627</u></u>	<u><u>1,718</u></u>

The operating profit for the year arises from the company's continuing operations.

**HOLAW (332) LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**for the year ended 31 May 1998**

---

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	627	1,718
Unrealised deficit on valuation of properties:		
Surplus on revaluation of properties	-	15,000
Attributable to joint venture partners	(627)	(16,718)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>



**HOLAW (332) LIMITED****BALANCE SHEET**  
**at 31 May 1998**

	Notes	1998 £	1997 £
<b>FIXED ASSETS</b>			
Tangible assets	6	900,000	900,000
<b>CURRENT ASSETS</b>			
Debtors	7	24,340	23,852
<b>CREDITORS: Amounts falling due within one year</b>	8	(11,771)	(17,378)
<b>NET CURRENT ASSETS</b>		12,569	6,474
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		912,569	906,474
<b>CREDITORS: Amounts falling due after more than one year</b>	9	(738,452)	(732,984)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	10	(174,579)	(173,952)
		(462)	(462)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Revaluation reserve	12	(1,881)	(1,254)
Profit and loss account	13	1,417	790
<b>SHAREHOLDERS' FUNDS</b>		(462)	(462)

Approved by the Board on

and signed on its behalf by

  
A R Goldsmith  
Director

## **HOLAW (332) LIMITED**

### **ACCOUNTING POLICIES**

---

#### **BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention as modified to include the revaluation of freehold and leasehold properties, and in accordance with applicable accounting standards.

#### **TANGIBLE FIXED ASSETS**

In accordance with Statement of Standard Accounting Practice No 19:

- investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

The treatment, as regards certain of the company's investment properties, may be a departure from the requirement of the Companies Act concerning depreciation of fixed assets.

However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### **DEFERRED TAXATION**

Provision is made for deferred taxation in respect of liabilities that are anticipated to crystallise in the foreseeable future.

No provision is made for any liability to tax that would arise in the event of a disposal of investment properties at their valued amounts. However, an estimate of this liability is given in note 9.

#### **CASH FLOW STATEMENT**

The company is exempt from the requirement to prepare a cash flow statement as it is a wholly owned subsidiary undertaking.

#### **TURNOVER**

Turnover represents rents receivable on investment properties.

## HOLAW (332) LIMITED

### NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 May 1998

---

#### 1. TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity which was carried out in the United Kingdom.

	1998 £	1997 £
2. INTEREST PAYABLE		
On bank loans, overdrafts and other loans repayable within 5 years:		
Bank loans and overdrafts	57,287	62,162
On other loans	59	116
	<u>57,346</u>	<u>62,278</u>

	1998 £	1997 £
3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	750	750
	<u>750</u>	<u>750</u>

#### 4. EMPLOYEES

There were no employees other than the Directors, who received no emoluments.

#### 5. TAXATION

There is no charge to taxation due to the availability of capital allowances.

# HOLAW (332) LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 May 1998

---

### 6. TANGIBLE FIXED ASSETS

	Freehold investment property £
Valuation 1 May 1997	900,000
Surplus on revaluation	-
31st May 1998	<u>900,000</u>

The investment property held at 31st May 1998 was valued as at that date at £900,000 by the Directors (1997 - £900,000).

The original cost of the property was £780,802.

	1998 £	1997 £
7. DEBTORS		
Due within one year:		
Amount due from group undertakings	24,340	23,852

	1998 £	1997 £
8. CREDITORS: Amounts falling due within one year		

Other taxes and social security	-	5,118
Other creditors	260	-
Accruals and deferred income	11,511	12,260
	<u>11,771</u>	<u>17,378</u>

# HOLAW (332) LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 May 1998

	1998 £	1997 £
9. <b>CREDITORS:</b> Amounts falling due after more than one year		
Loan	620,000	620,000
Amount due to joint venture partner	118,452	112,984
	<u>738,452</u>	<u>732,984</u>

The loan is repayable in instalments commencing on 23 October 2001 with interest fixed at 9.24% and is secured by way of a fixed charge on the company's investment property and a floating charge over all of the company's assets.

The amount due to the joint venture partner is interest-free and is repayable on the sale of the investment property.

### 10. PROVISIONS FOR LIABILITIES AND CHARGES

	Introductory fees £	Share of revaluation surplus £	Total £
(a) Provision for joint venture partners' profit share			
Balance at 1 June 1997	53,500	120,452	173,952
Charged in the year	-	627	627
Balance at 31 May 1998	<u>53,500</u>	<u>121,079</u>	<u>174,579</u>

Subject to the following paragraph, the amount due to the joint venturers represents an amount payable in accordance with the joint venture agreements in force prior to 31 May 1997 and is payable upon the disposal of the company's investment property. Under the terms of the agreement a fee is payable on disposal of the property calculated by reference to 50% of the net rental surplus, an introductory fee and 50% of the realised net proceeds in excess of £727,302.

# HOLAW (332) LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 May 1998

### 10. PROVISIONS FOR LIABILITIES AND CHARGES (continued)

On 31 May 1997 the company entered into a new agreement with its former United Kingdom holding company whereby that company will thereafter receive 50% of the company's excess income, as defined, on a regular basis and will also share in 50% of the capital profits arising on the ultimate disposal of the company's investment property after accounting for the introductory fees referred to above. The amount due to the former United Kingdom holding company on loan account is included in Note 9 as an amount due to joint venture partner. The amount expected to be due on realisation of investment properties is included in the share of the revaluation surplus above.

#### (b) Deferred taxation

No provision for deferred taxation has been made in respect of the properties held as investments which is included in these financial statements at a valuation of £900,000 (1997 - £900,000). It is estimated that if these properties were to be sold at those valuations the tax liability would amount to £27,000 (1997 - £27,000).

	1998 £	1997 £
<b>11. SHARE CAPITAL</b>		
Authorised:		
100 ordinary shares of £1 each	100	100
	==	==
Allotted, issued and fully paid:		
2 ordinary shares of £1 each	2	2
	==	==
	1998 £	1997 £
<b>12. REVALUATION RESERVE</b>		
1 June 1997	(1,254)	-
Attributable to joint venture partners	(627)	(1,254)
	==	==
31 May 1998	(1,881)	(1,254)
	==	==

# HOLAW (332) LIMITED

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 31 May 1998

	1998 £	1997 £
<b>13. PROFIT AND LOSS ACCOUNT</b>		
1 June 1997	790	-
Profit for the financial year	627	790
31 May 1998	<u>1,417</u>	<u>790</u>
	<b>1998 £</b>	<b>1997 £</b>
<b>14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>		
Profit for the financial year	627	1,718
Other recognised gains and losses relating to the year:		
Attributable to joint venture partners	(627)	(1,718)
Net addition to shareholders' funds	<u>-</u>	<u>-</u>
Opening shareholders' funds	(462)	(462)
Closing shareholders' funds	<u>(462)</u>	<u>(462)</u>

### 15. ULTIMATE HOLDING COMPANY

The immediate parent company is Prestigic Limited which is registered in England.

The ultimate holding company is Prestigic Holdings Limited.

### 16. RELATED PARTY TRANSACTIONS

A R Goldsmith, a director, is one of the joint venture partners referred to in note 10. The amounts due to him under the joint venture arrangements which are included in Provisions for Liabilities and Charges totalled £141,730 (1997 - £141,103).

The other joint venture partner is Rotch Property Group Limited, to whom £151,301 (1997 - £145,833) was owed and which is included in notes 9 and 10.

### 17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is A R Goldsmith, a director.