

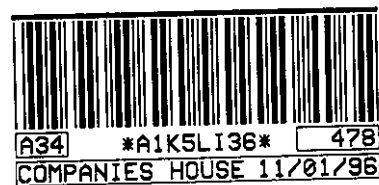
GREGORY MARCAR (PROPERTIES) LIMITED

REPORT AND FINANCIAL STATEMENTS

31 MARCH 1995

COMPANY NO. 809095

Crane & Partners, Rutland House, 44 Masons Hill, Bromley, Kent, BR2 9EQ



GREGORY MARCAR (PROPERTIES) LIMITED

REPORT AND FINANCIAL STATEMENTS

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# GREGORY MARCAR (PROPERTIES) LIMITED

## REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 March 1995.

## ACTIVITIES

The principal activity of the company is that of property investment.

## RESULTS AND DIVIDENDS

The results for the period are shown on the profit and loss account on page 4. We recommend that a dividend of 53p (1994 - 53p) per share be paid on the ordinary shares.

## PROPERTY VALUATION

A valuation of the two freehold properties was carried out by professional valuers on the 1st November 1995, with a combined market value of £1,050,000.

## REVIEW OF BUSINESS

As all of the leases will have expired by the 1st October 1996 on the Petersham Road property, the Directors have engaged a firm of Architects to advise on a possible re-development of this site.

## DIRECTORS AND DIRECTORS' INTERESTS

The Directors who served during the year and their respective interests in the shares of the company are as follows:

|                   | 1995  | 1994  |
|-------------------|-------|-------|
| Mrs. G. H. Marcar | 3,705 | 3,705 |
| A.G. Marcar       | 3,705 | 3,705 |
| E.S.P. Marcar     | 5,337 | 5,337 |
| Mrs. H. McCourt   | 4,906 | 4,906 |
| M.J. Marcar       | 8,647 | 8,647 |
| Mrs. H. Culleton  | 3,700 | 3,700 |

GREGORY MARCAR (PROPERTIES) LIMITED

REPORT OF THE DIRECTORS

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 surplus or deficit of the company for that period. In preparing those accounts, the directors are required to:

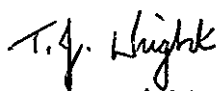
- select suitable accounting policies then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- follow applicable standards, subject to any material departures disclosed and explained in the accounts.
- prepare the accounts on the going concern basis unless it is 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 enable them to ensure that the accounts 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

The auditors, Messrs. Crane & Partners, have expressed their willingness to continue in office and a resolution to this effect will be proposed at the Annual General Meeting.

Approved by the board of directors  
and signed on their behalf

  
T.J. Wright  
Secretary

Rutland House  
44 Masons Hill,  
Bromley,  
Kent. BR2 9EQ.

15 December 1995

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
GREGORY MARCAR (PROPERTIES) LIMITED

We have audited the financial statements on pages 4 to 9 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 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 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Crane & Partners  
Chartered Accountants  
Registered Auditors

Rutland House,  
44 Masons Hill,  
Bromley,  
Kent. BR2 9EQ.

15 December 1995

GREGORY MARCAR (PROPERTIES) LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 1995

|  | Note | 1995                  | 1994                  |
|--|------|-----------------------|-----------------------|
|  |      | £                     | £                     |
| INCOME   |      |                       |                       |
| Rent receivable                                  |      | 98,276                | 94,614                |
| Less: Administrative expenses                    |      | 22,248                | 21,509                |
| Interest paid                                    | 2    | <u>7,810</u>          | <u>9,530</u>          |
|  |      | 30,058                | 31,039                |
|  |      | 68,218                | 63,575                |
| Exceptional item                                 | 3    | 70,000                | -                     |
| Interest received                                |      | <u>245</u>            | <u>167</u>            |
| PROFIT ON ORDINARY ACTIVITIES<br>BEFORE TAXATION | 4    | 138,463               | 63,742                |
| Taxation   | 5    | <u>38,064</u>         | <u>16,375</u>         |
| PROFIT ON ORDINARY ACTIVITIES<br>AFTER TAXATION  |      | 100,399               | 47,367                |
| Proposed dividend                                | 6    | <u>15,900</u>         | <u>15,900</u>         |
| RETAINED PROFITS FOR THE<br>FINANCIAL YEAR       |      | 84,499                | 31,467                |
| Retained profits brought<br>forward              |      | <u>191,705</u>        | <u>160,238</u>        |
| RETAINED PROFIT CARRIED FORWARD                  |      | <u><u>276,204</u></u> | <u><u>191,705</u></u> |

CONTINUING OPERATIONS

Turnover and operating profit are attributable to continuing operations for both the current and previous financial year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

|   | 1995                 | 1994                  |
|---|----------------------|-----------------------|
|   | £                    | £                     |
| Retained profit for the<br>financial year                       | 84,499               | 31,467                |
| Unrealised profit on<br>revaluation of Investment<br>properties |                      | 482,222               |
|   | <u><u>84,499</u></u> | <u><u>513,689</u></u> |

GREGORY MARCAR (PROPERTIES) LIMITED

BALANCE SHEET  
AS AT 31ST MARCH 1995

|   | Note | £              | 1995           | £             | 1994            | £ |
|---|------|----------------|----------------|---------------|-----------------|---|
| FIXED ASSETS  |      |                |                |               |                 |   |
| Investment properties                                   | 7    |                | 810,000        |               | 810,000         |   |
| CURRENT ASSETS  |      |                |                |               |                 |   |
| Debtors   | 8    | 12,300         |                | 3,918         |                 |   |
| Cash at bank and in hand                                |      | 112,763        |                | 38,316        |                 |   |
|   |      | <u>125,063</u> |                | <u>42,234</u> |                 |   |
| CREDITORS: Amounts falling due within one year          | 9    | (52,887)       |                | (53,307)      |                 |   |
| NET CURRENT LIABILITIES                                 |      |                | <u>72,176</u>  |               | <u>(11,073)</u> |   |
| TOTAL ASSETS LESS CURRENT LIABILITIES                   |      |                | 882,176        |               | 798,927         |   |
| CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 10   |                | (75,000)       |               | (95,000)        |   |
| PROVISIONS FOR LIABILITIES AND CHARGES                  | 11   |                | (18,750)       |               | —               |   |
|   |      |                | <u>788,426</u> |               | <u>703,927</u>  |   |
| Called up share capital                                 | 12   |                | 30,000         |               | 30,000          |   |
| Investment revaluation reserve                          | 13   |                | 482,222        |               | 482,222         |   |
| Profit and loss account                                 |      |                | 276,204        |               | 191,705         |   |
| SHAREHOLDER'S FUNDS                                     | 14   |                | <u>788,426</u> |               | <u>703,927</u>  |   |

Approved by the Board on 15 December 1995.

.....)  
E.S.P. Marcar

.....)  
M.J. Marcar

GREGORY MARCAR (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1995

1 ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared under the historical cost basis and in accordance with applicable Accounting Standards in the United Kingdom.

(b) Investment property

The properties have now been redefined as investment properties and are included in the Balance sheet at open market valuation in accordance with SSAP 19.

(c) Deferred taxation

A provision has been made on the deferred corporation tax on the Marcar House compensation.

2 INTEREST PAYABLE AND SIMILAR CHARGES

|                             | 1995              | 1994              |
|-----------------------------|-------------------|-------------------|
|                             | £                 | £                 |
| Repayable within five years |                   |                   |
| Bank loan                   | 7,810             | 9,530             |
|                             | <u>          </u> | <u>          </u> |

3 EXCEPTIONAL ITEM

The amount of £70,000 was received by way of compensation for the loss of light when a new building was erected adjacent to Marcar House.

4 PROFIT IN ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation  
is stated after charging:

|                         | 1995              | 1994              |
|-------------------------|-------------------|-------------------|
|                         | £                 | £                 |
| Directors' remuneration | 2,500             | 2,500             |
| Auditors' remuneration  | 1,385             | 881               |
|                         | <u>          </u> | <u>          </u> |



GREGORY MARCAR (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1995

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

|  | 1995<br>£     | 1994<br>£     |
|--|---------------|---------------|
| Provision for corporation tax on the profit<br>for the year at the rate of 26.3% (1994 -<br>25%) | 18,000        | 16,000        |
| Under provision in previous year   | 1,314         | 375           |
| Deferred tax   | 18,750        | -             |
|  | <u>38,064</u> | <u>16,375</u> |

6 DIVIDENDS

|                           | 1995<br>per share | £             | 1994<br>per share | £             |
|---------------------------|-------------------|---------------|-------------------|---------------|
| Proposed dividend payable | 53p               | 15,900        | 53p               | 15,900        |
|                           | <u>53p</u>        | <u>15,900</u> | <u>53p</u>        | <u>15,900</u> |

7 FIXED ASSETS

|                     | 1995<br>£      | 1994<br>£      |
|---------------------|----------------|----------------|
| Freehold property   |                |                |
| At valuation - 1994 | 810,000        | 810,000        |
|                     | <u>810,000</u> | <u>810,000</u> |

Both freehold properties were valued by Martin Campbell, Chartered Surveyors on the 1st November 1995, with a market value of £550,000 for Marcar House and £500,000 for the Petersham Road warehouse.

|                               |                |                |
|-------------------------------|----------------|----------------|
| Investment property           |                |                |
|                               | 1995<br>£      | 1994<br>£      |
| Freehold property - at cost   | 343,595        | 343,595        |
| - depreciation                | (15,817)       | (15,817)       |
|                               | <u>327,778</u> | <u>327,778</u> |
| Revaluation reserve (note 13) | 482,222        | 482,222        |
|                               | <u>482,222</u> | <u>482,222</u> |
| Balance at 31st March 1995    | <u>810,000</u> | <u>810,000</u> |

## GREGORY MARCAR (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1995

## 8 DEBTORS

|                              | 1995<br>£     | 1994<br>£    |
|------------------------------|---------------|--------------|
| Prepayments & accrued income | 7,617         | 1,593        |
| Other debtors                | 4,683         | 2,325        |
|                              | <u>12,300</u> | <u>3,918</u> |

## 9 CREDITORS

|                                     | 1995<br>£     | 1994<br>£     |
|-------------------------------------|---------------|---------------|
| Amounts falling due within one year |               |               |
| Bank Loan                           | 20,000        | 20,000        |
| Bank overdraft                      | -             | 1,898         |
| Dividend                            | 15,900        | 15,900        |
| Corporation tax                     | 14,025        | 11,384        |
| Accruals and deferred income        | 2,962         | 4,125         |
|                                     | <u>52,887</u> | <u>53,307</u> |

## 10 CREDITORS: Amounts falling due after more than one year

|                       | 1995<br>£     | 1994<br>£     |
|-----------------------|---------------|---------------|
| Bank loan (Unsecured) | <u>75,000</u> | <u>95,000</u> |

The bank loan is repayable within 5 years at the rate of 2% over the Midland Bank published base rate.

## 11 PROVISIONS FOR LIABILITIES AND CHARGES

|                   | Balance at<br>1 April<br>1994<br>£ | Charged<br>to profit<br>and loss<br>account<br>£ | Applied<br>£ | Balance at<br>31 March<br>1995<br>£ |
|-------------------|------------------------------------|--|--------------|-------------------------------------|
| Deferred taxation | <u>-</u>                           | <u>18,750</u>                                    | <u>-</u>     | <u>18,750</u>                       |

## 12 SHARE CAPITAL

|                                    | 1995<br>£     | 1994<br>£     |
|------------------------------------|---------------|---------------|
| Authorised                         | <u>40,000</u> | <u>40,000</u> |
| Allotted, called up and fully paid | <u>30,000</u> | <u>30,000</u> |

GREGORY MARCAR (PROPERTIES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 1995

13 REVALUATION RESERVE

|   | 1995           | 1994           |
|---|----------------|----------------|
|   | £              | £              |
| Balance at 1st April 1994                                 | 482,222        | -              |
| Surplus on revaluation of investment<br>property (note 7) | -              | 482,222        |
| Balance at 31st March 1995                                | <u>482,222</u> | <u>482,222</u> |

14 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

|  | 1995           | 1994           |
|--|----------------|----------------|
|  | £              | £              |
| Profit for the financial year after taxation       | 100,399        | 47,367         |
| Surplus on revaluation of investment<br>properties | -              | 482,222        |
| Dividends  | (15,900)       | (15,900)       |
|  | <u>84,499</u>  | <u>513,689</u> |
| Opening shareholders' funds                        | 703,927        | 190,238        |
| Closing shareholders' funds                        | <u>788,426</u> | <u>703,927</u> |

GREGORY MARCAR (PROPERTIES) LIMITED

DETAILED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST MARCH 1995

|                                  | 1995              |                   | 1994              |                   |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                  | £                 | £                 | £                 | £                 |
| INCOME                           |                   |                   |                   |                   |
| Rent Receivable                  | 98,276            |                   | 94,614            |                   |
| Compensation                     | 70,000            |                   | -                 |                   |
| Interest received                | 245               |                   | 167               |                   |
|                                  | <u>          </u> |                   | <u>          </u> |                   |
|                                  |                   | 168,521           |                   | 94,781            |
| ADMINISTRATIVE EXPENSES          |                   |                   |                   |                   |
| Salaries                         | 3,248             |                   | 2,700             |                   |
| Directors' remuneration          | 2,500             |                   | 2,500             |                   |
| Costs on empty unit              | 2,161             |                   | (6,119)           |                   |
| Repairs and renewals             | 2,012             |                   | 8,707             |                   |
| Audit and accountancy            | 1,385             |                   | 881               |                   |
| Bank charges                     | 291               |                   | 206               |                   |
| Legal & Professional             | 9,025             |                   | 10,749            |                   |
| Insurance                        | 236               |                   | 495               |                   |
| Administration charges           | 1,390             |                   | 1,390             |                   |
|                                  | <u>          </u> |                   | <u>          </u> |                   |
|                                  | 22,248            |                   | 21,509            |                   |
| Interest paid                    | 7,810             |                   | 9,530             |                   |
|                                  | <u>          </u> |                   | <u>          </u> |                   |
|                                  |                   | 30,058            |                   | 31,039            |
| NET PROFIT BEFORE TAX            |                   | 138,463           |                   | 63,742            |
| Taxation                         |                   | 38,064            |                   | 16,375            |
|                                  |                   | <u>          </u> |                   | <u>          </u> |
|                                  |                   | 100,399           |                   | 47,367            |
| Dividend payable                 |                   | 15,900            |                   | 15,900            |
|                                  |                   | <u>          </u> |                   | <u>          </u> |
|                                  |                   | 84,499            |                   | 31,467            |
| Retained profits brought forward |                   | 191,705           |                   | 160,238           |
|                                  |                   | <u>          </u> |                   | <u>          </u> |
| RETAINED PROFITS CARRIED FORWARD |                   | 276,204           |                   | 191,705           |
|                                  |                   | <u>          </u> |                   | <u>          </u> |