

**BASTION PRODUCTS LIMITED**  
**(REGISTERED NUMBER: 470283)**

**FINANCIAL STATEMENTS**

for the year ended

**31 MARCH 1995**

**COHEN, ARNOLD & CO**  
**CHARTERED ACCOUNTANTS**

**LONDON W 1**



**BASTION PRODUCTS LIMITED**

**DIRECTORS**

Mr B S E Freshwater  
Mr D Davis

**SECRETARY**

Mr C C Morse F.C.I.S.

**REGISTERED OFFICE**

Freshwater House  
158/162 Shaftesbury Avenue  
LONDON WC2H 8HR

**AUDITORS**

Cohen, Arnold & Co  
13-17 New Burlington Place  
Regent Street  
LONDON W1X 2JP

**BASTION PRODUCTS LIMITED**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 1995**

Page

1 - 2	Directors' Report
3	Auditors' Small Group Exemption Certificate
4	Auditors' Report
5	Profit and Loss Account
6	Balance Sheet
7 - 11	Notes to the Financial Statements

## **BASTION PRODUCTS LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors have pleasure in presenting their Annual Report together with the audited Financial Statements of the Company for the year ended 31 March 1995.

#### **BUSINESS REVIEW**

The principal activity of the Company is Property Trading which has remained unchanged during the year and no change is anticipated in the immediate future.

#### **RESULTS AND DIVIDEND**

The financial results of the Company's activities for the year ended 31 March 1995 are fully reflected in the attached Financial Statements together with the Notes thereon.

The Directors do not recommend the payment of a dividend for the year under review.

#### **PROPERTIES**

The Directors have carefully reviewed the Company's property trading portfolio and they are satisfied that each property has a value at least equal to the figure at which it is included in the Balance Sheet at 31 March 1995.

#### **DIRECTORS AND DIRECTORS' INTERESTS**

The Directors who served during the year were Mr B S E Freshwater and Mr D Davis.

The Articles of Association do not require the Directors to retire by rotation. The Directors do not have service contracts nor do they receive any emoluments from the Company.

The whole of the issued share capital of the Company is owned by The Raphael Freshwater Memorial Association Limited, a Company registered in Great Britain and incorporated in England for charitable purposes. Mr B S E Freshwater and Mr D Davis are Governors of the Parent Undertaking but do not have any interest in the capital of the Company, the Parent Undertaking, Subsidiaries or any Subsidiary of the Parent Undertaking.

Day to day management of the Company's properties is carried out by Highdorn Co. Limited and Freshwater Property Management Limited. Mr B S E Freshwater is a Director of both Companies and is also interested in the share capital of Highdorn Co. Limited. Mr B S E Freshwater and Mr D Davies are also Governors of the Parent Undertaking of Freshwater Property Management Limited but have no beneficial interest in either company.

#### **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 its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

**BASTION PRODUCTS LIMITED**

**REPORT OF THE DIRECTORS**

**DIRECTORS' RESPONSIBILITIES (Cont'd)**

The Directors are responsible for maintaining 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.

**TAXATION STATUS**

So far as the Directors are aware, the Company is a "close company" within the meaning of the provisions of Section 414 Taxes Act, 1988.

**AUDITORS**

A resolution will be proposed at the Annual General Meeting that Messrs. Cohen, Arnold & Co., Chartered Accountants, are to be reappointed Auditors of the Company and that their remuneration is to be determined by agreement with the Directors.

**BY ORDER OF THE BOARD**



**C.C.MORSE  
SECRETARY**

25 NOV 1985

**HEAD OFFICE:**

**Freshwater House  
158/162 Shaftesbury Avenue  
LONDON WC2H 8HR**

**AUDITORS' REPORT TO THE DIRECTORS OF**

**BASTION PRODUCTS LIMITED**

**PURSUANT TO**

**SECTION 248(3) OF THE COMPANIES ACT 1985**

We have examined the financial statements of the company and each of its subsidiaries for the year ended 31 March 1995.

**BASIS OF OPINION**


The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

**OPINION**

In our opinion the company is entitled to the exemption from preparing group financial statements conferred by Section 248 of the Companies Act 1985.

London

Date: 7 April 1995



COHEN ARNOLD & CO  
Chartered Accountants and  
Registered Auditor

**REPORT OF THE AUDITORS, COHEN ARNOLD & CO.,**

**TO THE MEMBERS OF**

**BASTION PRODUCTS LIMITED**

We have audited the Financial Statements on pages 5 to 11.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As indicated in the Directors' Report, 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 the Financial Statements and to report our opinion to you.

**BASIS OF OPINION**

We have 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 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 and to give reasonable assurance that the Financial Statements 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 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 Loss for the year then ended and have been properly prepared in accordance with the Companies' Act 1985.



COHEN, ARNOLD & CO  
Chartered Accountants and  
Registered Auditor

London

Date: 24 NOV 1995

**BASTION PRODUCTS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 1995**

	Note	£	1995 £	£	1994 £
Rents and Charges Receivable	2	55,764		51,322	
Property Outgoings		(31,691)		(39,591)	
			24,073		11,731
Property Sales	2	48,000		50,000	
Cost of Sales		(7,128)		(7,209)	
			40,872		42,791
			64,985		54,522
Administrative Expenses	3		(11,985)		(11,985)
<b>OPERATING PROFIT</b>			52,960		42,537
Interest Payable	4		(95,209)		(97,593)
<b><u>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</u></b>			(42,249)		(55,056)
Taxation	5		7,250		12,000
<b><u>LOSS FOR THE FINANCIAL YEAR</u></b>			(34,999)		(43,056)
Adverse Balance Brought Forward			(154,831)		(111,775)
<b><u>ADVERSE BALANCE CARRIED FORWARD</u></b>			£(189,830)		£(154,831)

None of the Company's activities was acquired or discontinued during the financial year nor in the previous year.

The Company has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

The Notes on pages 7 to 11 form part of these Financial Statements.



**BASTION PRODUCTS LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 1995**

		<u>1995</u>		<u>1994</u>
		£	£	£
	Note			
<b><u>FIXED ASSETS</u></b>				
Investment in Subsidiary Undertakings	6	200		200
<b><u>CURRENT ASSETS</u></b>				
Properties held for Trading	1.3	61,287	66,471	
Debtors	7	963,761	917,785	
		<hr/>	<hr/>	
		1,025,048	984,256	
<b><u>CREDITORS: Amounts Falling Due Within One Year</u></b>	8	<b>(1,214,978)</b>	<b>(1,139,187)</b>	
		<hr/>	<hr/>	
<b><u>DEFICIENCY IN NET CURRENT LIABILITIES</u></b>		<b>(189,930)</b>		<b>(154,931)</b>
		<hr/>		<hr/>
<b><u>DEFICIENCY IN NET ASSETS</u></b>		<b>£(189,730)</b>		<b>£(154,731)</b>
		<hr/>		<hr/>
<b><u>CAPITAL AND RESERVES</u></b>				
Called-up Share Capital	9	100		100
Profit and Loss Account		(189,830)	(154,831)	
		<hr/>	<hr/>	
		<b>£(189,730)</b>	<b>£(154,731)</b>	
		<hr/>	<hr/>	

The Financial Statements were approved by the Board of Directors on **24 NOV 1995** and signed on its behalf by:

  
**MR B.S.E. FRESHWATER**

  
**MR D DAVIS**

**DIRECTORS**

The Notes on pages 7 to 11 form part of these Financial Statements.

# **BASTION PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31ST MARCH 1995**

#### **1. ACCOUNTING POLICIES**

The following Accounting Policies have been used consistently in the preparation of the Company's Financial Statements.

##### **1.1 Basis of Accounting:**

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

##### **1.2 Disposal of Properties:**

Disposals are considered to have taken place at the date of legal completion.

##### **1.3 Properties Held for Trading:**

Properties held for trading are stated at the lower of cost and net realisable value.

##### **1.4 Group Financial Statements:**

Group Financial Statements have not been prepared as the Directors have taken advantage of the exemptions from so doing conferred by Sections 248 and 249 of the Companies Act 1985 on the basis that the Group qualifies as a "small group".

##### **1.5 Cash Flow Statement:**

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No: 1) on the basis of its being a "small company" as defined by Section 247, Companies Act 1985.

#### **2. TURNOVER**

The turnover of the Company is derived from its income from properties held for trading purposes and the relevant contribution towards profit for the year is displayed in the Profit and Loss Account.

#### **3. ADMINISTRATIVE EXPENSES**

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Auditors' Remuneration	4,935	4,935
Administration and Office Charges	7,050	7,050
	<hr/>	<hr/>
	£11,985	£11,985
	<hr/>	<hr/>

**BASTION PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 1995**

**4. INTEREST PAYABLE**

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Bank and other Short Term Interest	931	5,824
Loan Interest Payable to Parent Undertaking	74,000	74,000
Loan Interest	20,278	17,769
	<hr/>	<hr/>
	<b>£95,209</b>	<b>£97,593</b>
	<hr/>	<hr/>

**5. TAXATION**

The credit in the Profit and Loss Account comprises:

	<u>1995</u>	<u>1994</u>
Consideration Receivable for Group Relief	£7,250	£12,000
	<hr/>	<hr/>

**6. INVESTMENT IN SUBSIDIARY COMPANIES**

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
Shares at Cost	4,802	4,802
<u>Deduct:</u> Provision for diminution in value	(4,602)	(4,602)
	<hr/>	<hr/>
	<b>£200</b>	<b>£200</b>
	<hr/>	<hr/>

**BASTION PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 1995**

**6. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)**

The Company holds the whole of the issued share capital in the undermentioned Companies, all of which are incorporated in England unless otherwise stated:

Brigade Properties Limited  
Kayville Properties Limited  
Delbast Corporation (incorporated in  
the United States of America)

The Profits of the Subsidiary Companies, incorporated in England, for the year ended 31st March 1995 aggregate £10,355 and as at the aforementioned date, their accumulated Capital and Reserves since acquisition were £99,691.

The Financial Statements of Delbast Corporation are made up to 31st December in each year and as 31 December 1991 (the latest audited Financial Statements available), they disclose a deficiency in reserves of £49,000 (U.S. dollars 74,710).

**7. DEBTORS**

	<u>1995</u> £	<u>1994</u> £
Loan Debtor (see below)	320,077	320,077
Rents and Service Charges Due	26,573	26,555
Amounts due from Fellow Subsidiary Undertakings	242,600	242,600
Amount due from Connected Company (see below)	349,526	311,876
Consideration Receivable for Group Relief (Note 5)	19,250	12,000
Other Debtors	5,735	4,677
	<hr/> £963,761 <hr/>	<hr/> £917,785 <hr/>

- (a) The Loan Debtor relates to amounts due from the estate of a former Director and his widow. The amount is interest free and effectively repayable on demand.
- (b) The amount due from Connected Company represents an amount due from Highdorn Co Limited, a Company of which Mr B S E Freshwater is a Director and in which he is also interested. The Loan is effectively repayable on demand.

**BASTION PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 1995**

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>1995</u> £	<u>1994</u> £
Rents and Service Charges Due and Accrued	2,856	3,124
Bank Overdraft	88,500	45,122
Amount due to Parent Undertaking (see below)	618,167	618,167
Amounts due to Fellow Subsidiary Undertakings (see below)	107,500	157,500
Amounts due to Subsidiary Undertakings	52,942	52,942
Loan Creditors (see below)	273,000	173,000
Consideration Payable for Group Relief (Note 5)	-	29,000
Interest Payable to Loan Creditors	54,246	33,968
Other Creditors and Accruals	17,767	26,364
	<hr/> <b>£1,214,978</b> <hr/>	<hr/> <b>£1,139,187</b> <hr/>

The Loan Creditors relate to amounts due to Freshwater Property Management Limited and Haysgrans Property Co. Limited, companies of which Mr B S E Freshwater is a Director. The Loans bear interest at varying rates and are effectively repayable on demand.

The amount due to Parent Undertaking bears interest at the rate of 12% per annum and is also effectively repayable on demand.

The amounts due to Fellow Subsidiary Undertakings are interest free and effectively repayable on demand.

**BASTION PRODUCTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST MARCH 1995**

**9. CALLED UP SHARE CAPITAL**

	<u>1995</u> £	<u>1994</u> £
<u>Authorised, Issued and Fully Paid:</u>		
100 Ordinary Shares of £1 each	<b>£100</b>	£100
	<hr/>	<hr/>

**10. CONTINGENT LIABILITIES**

The Company has given an unlimited cross-guarantee in respect of bank overdraft facilities granted to itself and to the undermentioned:

	<u>1995</u> £	<u>1994</u> £
Fellow Subsidiary Undertakings	<b>48,849</b>	652,531
Connected Companies	<b>18,948</b>	7,521
	<hr/>	<hr/>
	<b>£67,797</b>	£660,052
	<hr/>	<hr/>

**11. DEFICIENCY IN NET ASSETS**

Although there is a deficiency of Net Assets in the Company's Financial Statements as at 31st March 1995, the Directors consider the underlying value of Properties Held for Trading included in the Balance Sheet at cost would in the event of disposal result in a surplus in excess of the deficit as at the Balance Sheet date.

**12. ULTIMATE PARENT UNDERTAKING**

The Company's Ultimate Parent Undertaking is The Raphael Freshwater Memorial Association Limited, a Company incorporated in England.