

GRANDPEX COMPANY LIMITED

Company No: 505762

ABBREVIATED ACCOUNTS

for the year ended

31 MARCH 1999

COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON W1X 2JP



GRANDPEX COMPANY LIMITED

DIRECTORS

Mr E Englander
Mrs S Englander
Mr S Z Englander

SECRETARY

Mrs S Englander

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

AUDITORS

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

GRANDPEX COMPANY LIMITED
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FOR THE YEAR ENDED 31 MARCH 1999

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AUDIT REPORT TO GRANDPEX COMPANY LIMITED

UNDER SECTION 247B OF

THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 7 together with the financial statements of the Company for the year ended 31 March 1999 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts on pages 3 to 7 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On *26-1-2000* we reported as auditors to the members of the company on the Financial Statements prepared under Section 226 of the Companies Act 1985 and our Report was as follows:

"We have audited the Financial Statements on pages 4 to 12 which have been prepared under the historical cost convention and the Accounting Policies set out in Note 1.

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.

AUDIT REPORT TO GRANDPEX COMPANY LIMITED

UNDER SECTION 247B OF

THE COMPANIES ACT 1985

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.

DEPARTURE FROM ACCOUNTING STANDARD

The Company's investment properties are included in the Financial Statements on the basis indicated in Note 1 on Accounting Policies. This does not comply with the requirements of Statement of Standard Accounting Practice No. 19 which requires such properties to be stated at their open market value. However, the Directors are of the opinion that each of the Company's investment properties have an open market value higher than the amount at which they are included in the Financial Statements.

QUALIFIED OPINION ARISING FROM DEPARTURE FROM ACCOUNTING STANDARD

Except for non-compliance with the requirements of Statement of Standard Accounting Practice No. 19, in our opinion the Financial Statements give a true and fair view of the state of the Company's affairs at 31 March 1999 and of its Profit for the year then ended and have been properly prepared in accordance with the Companies' Act 1985."



London

Date: 28-1-2000

COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

BALANCE SHEET AS AT 31 MARCH 1999

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

.....27-1-2000

The notes on pages 4 to 7 form part of these Abbreviated Accounts.

GRANDPEX COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999

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 except for the policy of accounting for investment properties referred to in note 1.2 below.

1.2 INVESTMENT PROPERTIES

Investment properties are included in the balance sheet at historical cost, which is not in accordance with Statement of Standard Accounting Practice No.19, which requires such properties to be stated at their open market value.

1.3 DEPRECIATION

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation is provided in respect of Freehold investment properties. This departure from the requirements of the Companies Act 1985 for all properties to be depreciated, is necessary, as the Directors consider that this Accounting Policy results in the Financial Statements giving a true and fair view.

Depreciation is provided on other Tangible Fixed Assets, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. The annual depreciation rates used are as follows:

| | |
|-----------------------|-----|
| Fixtures and Fittings | 25% |
|-----------------------|-----|

1.4 ACQUISITIONS AND DISPOSALS OF PROPERTIES

Acquisitions and Disposals are considered to have taken place at the date of legal completion and are included in the Financial Statements accordingly.

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.

GRANDPEX COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999

2. TANGIBLE FIXED ASSETS

| | Freehold Property £ | Furniture & Fittings £ | Total £ |
|-------------------------------|------------------------------------|---|--------------------|
| <u>At Cost:</u> | | | |
| At 1 April 1998 | 47,531 | 13,000 | 60,531 |
| Disposals | (2,596) | - | (2,596) |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 1999 | £44,935 | £13,000 | £57,935 |
| | <hr/> | <hr/> | <hr/> |
| <u>Depreciation:</u> | | | |
| At 1 April 1998 | - | 3,250 | 3,250 |
| Charge for Year | - | 3,250 | 3,250 |
| | <hr/> | <hr/> | <hr/> |
| At 31 March 1999 | £ - | £6,500 | £6,500 |
| | <hr/> | <hr/> | <hr/> |
| <u>Net Book Value:</u> | | | |
| At 31 March 1999 | £44,935 | £6,500 | £51,435 |
| | <hr/> | <hr/> | <hr/> |
| At 1 April 1998 | £47,531 | £9,750 | £57,281 |
| | <hr/> | <hr/> | <hr/> |

In accordance with the company's stated accounting policy (see note 1.3) no depreciation has been provided in respect of freehold properties which are held for investment purposes.

3. INVESTMENTS HELD AS FIXED ASSETS

Listed Investment - At Cost

| | |
|-----------------------------------|--------|
| At 1 April 1998 and 31 March 1999 | £1,598 |
| | <hr/> |

The market value of the Listed Investments at 31 March 1999 was £9,605 (1998: £6,175).

GRANDPEX COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999

4. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | <u>Interest</u> <u>Rate</u> % | <u>1999</u> £ | <u>1998</u> £ |
|---|-------------------------------------|------------------|------------------|
| Amounts repayable after five years: | | | |
| Instalments terminating in 2023 | 7.03 | 934,856 | - |
| Instalments terminating in 2023 | Variable | 228,074 | - |
| | | <hr/> | <hr/> |
| | | 1,162,930 | - |
| Less: Amounts repayable within one year | | (15,000) | - |
| | | <hr/> | <hr/> |
| | | £1,147,930 | £ - |
| | | <hr/> <hr/> | <hr/> <hr/> |

The Company and an associated Company obtained joint facilities and have charged certain of their properties as securities therefore. The total amount outstanding by the companies at 31 March 1999 was £1.78m (1998: £Nil) of which £1.16m (1998: £Nil) is included in the financial statements of this company.

5. CALLED UP SHARE CAPITAL

| | <u>1999</u> £ | <u>1998</u> £ |
|------------------------------------|------------------|------------------|
| <u>Authorised:</u> | | |
| 451 Ordinary Shares of £1 each | 451 | 451 |
| 49 6% Preference Shares of £1 each | 49 | 49 |
| | <hr/> | <hr/> |
| | £500 | £500 |
| | <hr/> <hr/> | <hr/> <hr/> |
| <u>Issued and Fully Paid:</u> | | |
| 51 Ordinary Shares of £1 each | 51 | 51 |
| 49 6% Preference Shares of £1 each | 49 | 49 |
| | <hr/> | <hr/> |
| | £100 | £100 |
| | <hr/> <hr/> | <hr/> <hr/> |

GRANDPEX COMPANY LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999

6. OTHER RESERVES

| | <u>1999</u> £ | <u>1998</u> £ |
|--|------------------|------------------|
| Capital Reserve | | |
| At 1 April 1998 | 1,794,578 | 1,600,878 |
| Transfer from Profit and Loss Account being Surplus on disposal of Investment Properties after deducting Taxation attributed thereto | 156,224 | 193,700 |
| | <hr/> | <hr/> |
| At 31 March 1999 | £1,950,802 | £1,794,578 |
| | <hr/> <hr/> | <hr/> <hr/> |