

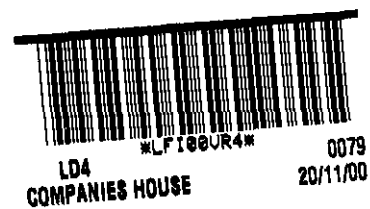
**ERNROL PROPERTY CO. LIMITED**

Company No: 597053

**FINANCIAL STATEMENTS**

for the year ended

**31 MARCH 2000**



**COHEN, ARNOLD & CO  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITOR  
LONDON W1S 2HL**

**ERNTROL PROPERTY CO. LIMITED**

**DIRECTORS**

B S E Freshwater  
D Davis

**SECRETARY**

C C Morse F.C.I.S.

**REGISTERED OFFICE**

13-17 New Burlington Place  
Regent Street  
LONDON W1S 2HL

**AUDITORS**

Cohen, Arnold & Co  
13-17 New Burlington Place  
Regent Street  
LONDON W1S 2HL

**ERNTROL PROPERTY CO. LIMITED**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2000**

Page	
1 - 2	Directors' Report
3	Accountants' Report
4	Profit and Loss Account
5 - 6	Balance Sheet
7 - 10	Notes to the Financial Statements

# **ERNTRON PROPERTY CO. LIMITED**

## **DIRECTORS' REPORT**

The Directors have pleasure in presenting their Annual Report together with the Financial Statements of the Company for the year ended 31 March 2000.

### **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 2000 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 (1999:£Nil).

### **PROPERTIES**

The Directors have carefully reviewed the Company's property trading portfolio and they are satisfied that each property has a value greater than the figure at which it is included in the Balance Sheet at 31 March 2000.

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

The Directors who served throughout the year, and who are still in office, are Mr B S E Freshwater and Mr D Davis.

Throughout the year Mr B S E Freshwater held 4 Ordinary Shares in the Capital of the Company, the remainder of the Shares being held by members of his family and Trustees of a Family Settlement.

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.

Day to day management of the Company is carried out by Highdorn Co. Limited and Freshwater Property Management Limited. Mr B S E Freshwater is a Director of both Companies and also has a non-beneficial interest in the share capital of Highdorn Co. Limited. Mr B S E Freshwater and Mr D Davis 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

# **ERNROL PROPERTY CO. LIMITED**

## **DIRECTORS' REPORT**

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

- 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.

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

06 NOV 2000

### **HEAD OFFICE:**

Freshwater House  
158/162 Shaftesbury Avenue  
LONDON WC2H 8HR

**ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS**

**TO THE DIRECTORS OF**

**ERNROL PROPERTY CO. LIMITED**

As described on the Balance Sheet you are responsible for the preparation of the Accounts for the year ended 31 March 2000, set out on pages 4 to 10, and you consider that the company is exempt from an audit and a report under section 249A (1) of the Companies Act 1985.

In accordance with your instructions we have compiled these unaudited accounts from the accounting records and information and explanations supplied to us.



.....  
Cohen Arnold & Co.  
Chartered Accountants  
13-17 New Burlington Place  
Regent Street, London W1S 2HL

**06 NOV** 2000

**ERNROL PROPERTY CO. LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2000**

		<b><u>2000</u></b>	<b><u>1999</u></b>
	<b>Note</b>	<b>£</b>	<b>£</b>
Rent and Charges Receivable	3	15,905	16,116
Property Outgoings		(412)	(1,290)
		<hr/>	<hr/>
		15,493	14,826
Administrative Expenses	4	(2,013)	(1,853)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		13,480	12,973
Interest Payable	5	(2,536)	(2,867)
Interest Receivable		153	28
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		11,097	10,134
Taxation	6	(3,329)	(3,142)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR</b>		7,768	6,992
Adverse Balance Brought Forward		(1,159,747)	(1,166,739)
		<hr/>	<hr/>
<b>ADVERSE BALANCE CARRIED FORWARD</b>		<u>£(1,151,979)</u>	<u>£(1,159,747)</u>

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 10 form part of these financial statements.

**ERNTRON PROPERTY CO. LIMITED**

**BALANCE SHEET AS AT 31 MARCH 2000**

	<b>Note</b>	<b><u>2000</u></b> £	<b><u>1999</u></b> £
<b>CURRENT ASSETS</b>			
Stocks - Property held for Trading	<b>1.2, 7 &amp; 11</b>	4,369	4,369
Debtors	<b>8</b>	4,452	4,644
		<hr/>	<hr/>
		8,821	9,013
<b>CREDITORS:</b> Amounts falling due within one year	<b>9</b>	(1,160,790)	(1,168,750)
		<hr/>	<hr/>
<b>NET LIABILITIES</b>		£(1,151,969)	£(1,159,737)
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	<b>10</b>	10	10
Profit and Loss Account - Adverse Balance		(1,151,979)	(1,159,747)
		<hr/>	<hr/>
		£(1,151,969)	£(1,159,737)
		<hr/>	<hr/>

The immediately following page forms an integral part of this Balance Sheet.

**ERNTRON PROPERTY CO. LIMITED**

**BALANCE SHEET AS AT 31ST MARCH 2000**

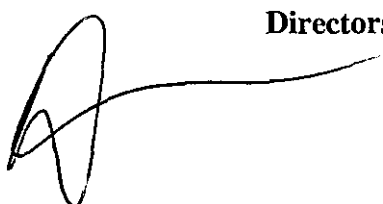
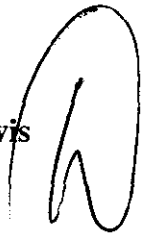
The Directors confirm that for the year ended 31 March 2000 the Company is entitled to exemption from audit under the provisions of Section 249A (1) Companies Act 1985 (the Act) and that no member or members have requested an audit pursuant to the provisions of Section 249B(2) of the Act.

The Directors acknowledge their responsibilities for ensuring that the Company maintains accounting records which comply with Section 221 of the Act and for preparing Accounts which give a true and fair view of the state of affairs of the Company at the end of its Financial Year and of its results for the Financial Year in accordance with the provisions of Section 226 of the Act and which otherwise comply with the requirements of the Act relating to Financial Statements.

The Financial Statements were approved by the Board on  
and signed on its behalf by

**06 NOV 2000**

  
**B.S.E. Freshwater**

  
**D. Davis** **Directors**

The notes on pages 7 to 10 form part of these Financial Statements.

**ERNTRON PROPERTY CO. LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2000**

**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 GOING CONCERN**

The Financial Statements have been prepared on the basis of Accounting Principles appropriate to a going concern, this being dependent on the continued financial support provided by the Company's Loan Creditors as shown in note 9.

**1.3 STOCKS**

Stocks comprises Freehold Property held for Trading and is included in the financial statements at the lower of cost and estimated net realisable value.

**1.4 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. FORMAT OF FINANCIAL STATEMENTS**

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Company's activities.

**3. TURNOVER.**

The turnover of the Company is derived from its property held for trading purposes.

**ERNTROL PROPERTY CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2000**

**4. ADMINISTRATIVE EXPENSES**

The Administrative Expenses charged to the Profit and Loss Account are comprised as follows:

	<u>2000</u>	<u>1999</u>
	£	£
Management and Administration Charges (Note 12)	588	588
Accountancy Fees	1,410	1,175
Legal and Professional Charges	15	90
	<hr/>	<hr/>
	£2,013	£1,853
	<hr/>	<hr/>

The Directors of the Company received no emoluments from the Company during the year or in the previous year.

Apart from the Directors there were no other employees of the Company during the year or in the previous year.

**5. INTEREST PAYABLE**

	<u>2000</u>	<u>1999</u>
Bank Interest and Charges	2,536	2,864
Interest on Overdue Tax	-	3
	<hr/>	<hr/>
	£2,536	£2,867
	<hr/>	<hr/>

**6. TAXATION**

	<u>2000</u>	<u>1999</u>
	£	£
Corporation Tax at 30% (1999 : 31%) based upon the Profit for the year	3,329	3,142
	<hr/>	<hr/>

**ERNROL PROPERTY CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2000**

**7. STOCKS: PROPERTY HELD FOR TRADING**

Properties held at 1 April 1999 and  
and 31 March 2000

£4,369

**8. DEBTORS**

	<u>2000</u>	<u>1999</u>
	£	£
Rents Due and Accrued	4,069	4,197
Other Debtors and Prepayments	383	447
	<hr/>	<hr/>
	£4,452	£4,644
	<hr/>	<hr/>

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

	<u>2000</u>	<u>1999</u>
	£	£
Rent Charged in Advance	3,682	3,682
Bank Overdraft (Note 11)	43,805	38,127
Loan Creditors (see below)	1,100,584	1,113,454
Corporation Tax Payable	3,329	3,142
Other Creditors and Accruals	9,390	10,345
	<hr/>	<hr/>
	£1,160,790	£1,168,750
	<hr/>	<hr/>

The Loan Creditors include amounts aggregating £1,086,399 (1999: £1,099,269) due to Companies whose Directors include the Directors of this Company. The balance of the Loan Creditors relates to an amount due to a third party. The loans are all interest free and effectively repayable on demand.

**ERNTRON PROPERTY CO. LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2000**

**10. SHARE CAPITAL**

	<u>2000</u>	<u>1999</u>
	£	£
<u>Authorised:</u>		
100 Ordinary Shares of £1 each	100	100
	<u>          </u>	<u>          </u>
<u>Issued and Fully Paid:</u>		
10 Ordinary Shares of £1 each	10	10
	<u>          </u>	<u>          </u>

**11. CHARGES ON ASSETS**

The Company has charged certain of its Freehold Trading Properties with a book value of £484 (1999: £484) as part security for bank overdraft facilities made available to the Company, which at 31 March 2000 amounted to £43,805 (1999: £38,127).

**12. DIRECTORS' INTEREST IN CONTRACTS**

Day to day management of the Company is carried out by Highdorn Co. Limited and Freshwater Property Management Limited, both of which are members of the Freshwater Group of Companies with which this Company is closely associated. Mr B S E Freshwater is a Director of both companies and has a non-beneficial interest in the Share Capital of Highdorn Co. Limited.

The amounts paid for the full range of management services charged for at normal commercial rates were:-

	<u>2000</u>	<u>1999</u>
	£	£
Highdorn Co Limited	588	588
Freshwater Property Management Limited	398	1,290
	<u>          </u>	<u>          </u>