

ERNROL PROPERTY CO. LIMITED

Company No: 597053

FINANCIAL STATEMENTS

for the year ended

31 MARCH 1995

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



ERNROL PROPERTY CO. LIMITED

DIRECTORS

Mr B S E Freshwater
Mr D Davis

SECRETARY

Mr C C Morse

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

ERNTROL PROPERTY CO. LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1995

Page

1 - 2	Directors' Report
3	Profit and Loss Account
4 - 5	Balance Sheet
6 - 9	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 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 throughout the year, and who are still in office, are 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 did they receive any emoluments from the Company in the year under review.

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 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

ERNTROL 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

HEAD OFFICE:

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


.....
C. C. MORSE
SECRETARY


..... 1995

ERNTRON PROPERTY CO. LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1995

	Notes	£	<u>1995</u>	£	£	<u>1994</u>	£
Rent and Charges Receivable	3	13,865			11,512		
Property Outgoings		(2,868)			(1,585)		
				10,997			9,927
Property Sales		40,031			-		
Cost of Sales		(2,443)			-		
				37,588			-
Administrative Expenses	4			(2,485)			(2,500)
OPERATING PROFIT				46,100			7,427
Interest Payable	5			(488)			(386)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION				45,612			7,041
Taxation	6			(6,530)			(2,324)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR				39,082			4,717
Adverse Balance Brought Forward				(1,223,631)			(1,228,348)
ADVERSE BALANCE CARRIED FORWARD				£(1,184,549)			£(1,223,631)

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 6 to 9 form part of these financial statements.

ERNTROL PROPERTY CO. LIMITED

BALANCE SHEET AS AT 31 MARCH 1995

	Notes	<u>1995</u> £	<u>1994</u> £
CURRENT ASSETS			
Stocks - Property held for Trading	1.2, 7 & 11	4,369	5,461
Debtors	8	4,097	3,045
		<hr/>	<hr/>
		8,466	8,506
CREDITORS: Amounts falling due within one year			
	9	(1,193,005)	(1,232,127)
		<hr/>	<hr/>
NET LIABILITIES		£(1,184,539)	£(1,223,621)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up Share Capital	10	10	10
Profit and Loss Account			
- Adverse Balance		(1,184,549)	(1,223,631)
		<hr/>	<hr/>
		£(1,184,539)	£(1,223,621)
		<hr/>	<hr/>

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

ERNROL PROPERTY CO. LIMITED

BALANCE SHEET AS AT 31ST MARCH 1995

The Directors confirm that for the year ended 31 March 1995 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 ⁴ JUL 1995
and signed on its behalf by


B.S.E. Freshwater

D. Davis


Directors

The notes on pages 6 to 9 form part of these Financial Statements.

ERNTROL PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 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 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.

1.3 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 SURPLUS ON DISPOSAL OF PROPERTIES AND NET RENTAL INCOME

The Turnover of the Company is represented by Sale Proceeds on disposal of properties held for trading purposes coupled with Rents and Charges Receivable in respect of those properties.

ERNTROL PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

4. ADMINISTRATIVE EXPENSES

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

	<u>1995</u>	<u>1994</u>
	£	£
Management and Administration Charges	587	588
Auditors' Remuneration	1,880	1,880
General Expenses	18	32
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	£2,485	£2,500
	<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>1995</u>	<u>1994</u>
Bank Interest and Charges	£488	£386
	<hr/>	<hr/>

6. TAXATION

	<u>1995</u>	<u>1994</u>
	£	£
Corporation Tax at 33 % based upon the Profit for the year	5,815	2,324
Prior year adjustment	715	-
	<hr/>	<hr/>
	£6,530	£2,324
	<hr/>	<hr/>

ERNROL PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

7. STOCKS: PROPERTY HELD FOR TRADING

	£
Opening Stock of Properties at 1 April 1994	5,461
Disposals during the year	(1,092)
	<hr/>
Closing Stock of Properties at 31 March 1995	£4,369
	<hr/>

8. DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Rents due and Accrued	3,644	3,045
Other debtors and prepayments	453	-
	<hr/>	<hr/>
	£4,097	£3,045
	<hr/>	<hr/>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>	<u>1994</u>
	£	£
Rent Charged and Paid in Advance	3,176	2,645
Bank Overdraft (secured)	15,107	6,146
Loan Creditors (see below)	1,159,958	1,209,680
Other Creditors and Accruals	8,949	9,098
Corporation Tax Payable	5,815	4,558
	<hr/>	<hr/>
	£1,193,005	£1,232,127
	<hr/>	<hr/>

The Loan Creditors include amounts aggregating £1,145,773 (1994: £1,195,495) 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.

ERNTROL PROPERTY CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

10. SHARE CAPITAL

	<u>1995</u> £	<u>1994</u> £
<u>Authorised:</u>		
100 Ordinary Shares of £1 each	£100	£100
	<hr/>	<hr/>
<u>Issued and Fully Paid:</u>		
10 Ordinary Shares of £1 each	£10	£10
	<hr/>	<hr/>

11. CHARGES ON ASSETS

The Company has charged Freehold Trading Properties with a book value of £484 (1994: £1,576) as part security for bank overdraft facilities made available to the Company, which at 31 March 1995 amounted to £15,107 (1994: £6,146).

12. CONTINGENT LIABILITIES

The Company has given an unlimited guarantee in respect of Bank Loan and Overdraft facilities granted to the undermentioned.

	<u>1995</u> £	<u>1994</u> £
Companies Connected with a Director	3,842	1,375
Third Parties	137,348	697,502
	<hr/>	<hr/>
	£141,190	£698,877
	<hr/>	<hr/>

ERNTROL PROPERTY CO. LIMITED

PROPERTY TRADING ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1995

	<u>1995</u>	<u>1994</u>
	£	£
Gross Sale Proceeds	40,031	-
Deduct: Selling Expenses		
Agents' Commission	881	-
Legal and Professional Charges	470	-
	<hr/>	<hr/>
	(1,351)	-
	<hr/>	<hr/>
NET SALE PROCEEDS	38,680	-
Deduct: Cost of Sales		
Opening Stock of Properties	5,461	-
Closing Stock of Properties	(4,369)	-
	<hr/>	<hr/>
	(1,092)	-
	<hr/>	<hr/>
PROPERTY TRADING SURPLUS	£37,588	£ -
	<hr/>	<hr/>

ERNTROL PROPERTY CO. LIMITED
PROPERTY REVENUE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1995

	<u>1995</u>		<u>1994</u>
	£	£	£
Rents Receivable	13,865		11,512
Deduct:			
General and Water Rates	209		163
Cleaning	-		197
Insurance	145		159
Legal and Professional Fees	-		353
Management and Letting Commission	2,514		713
	<hr/>		<hr/>
	(2,868)		(1,585)
	<hr/>		<hr/>
NET PROPERTY REVENUE	£10,997		£9,927
	<hr/> <hr/>		<hr/> <hr/>