

GORDON & GOTCH HOLDINGS LIMITED  
(formerly GORDON & GOTCH HOLDINGS PLC)

FINANCIAL STATEMENTS

30 JUNE 1990

KPMG PEAT MARWICK McLINTOCK  
1 Puddle Dock, Blackfriars, London EC4V 3TD

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GORDON & GOTCH HOLDINGS LIMITED  
(formerly GORDON & GOTCH HOLDINGS PLC)

DIRECTORS

A Peart Smith (Chairman)  
CH Thomas, FCA  
PJ Watts  
DS Rothwell

SECRETARY AND REGISTERED OFFICE

CH Thomas  
New Street, 2,  
32/36, Corporation Street,  
London EC2A 4SS

BANKERS

Lloyds Bank plc,  
25, Ludgate Hill,  
London EC4M 7BE

AUDITORS

KPMG Peat Marwick McLintock  
1 Puddle Dock  
Blackfriars  
London EC4V 3PD

REGISTERED NUMBER

630255

GORDON & GOTCH HOLDINGS LIMITED  
(formerly GORDON & GOTCH HOLDINGS PLC)

DIRECTORS' REPORT

The directors submit their annual report and financial statements for the year ended 30 June 1990.

Principal activities

Gordon & Gotch Holdings Ltd provides finance, management and administrative services to support the activities of its subsidiary and related companies.

Results and dividends

Profit for the year after tax was £337,269 (1989 - £5,488,245). No interim dividend was declared during the year (1989 - £8,125,000). The directors recommend a final dividend of £250,000 (1989 - £Nil). The profit retained for the year is £87,269 (1989 - loss: £2,636,755).

Directors

The directors who have served during the year are as follows:

A Peart Smith (Chairman)  
GH Thomas  
PJ Watts  
DS Rothwell

None of the directors had a material beneficial interest in any contract of significance to which the company was a party during the year.

Directors' interests in shares of the company

According to the register kept under section 325 of the Companies Act 1985, no director had any beneficial interest in the shares of the company, or any of its subsidiaries during the year under review. As permitted by statutory instrument the register does not include particulars of holdings of directors who are also the directors of the ultimate holding company or particulars of holdings of directors who have a beneficial interest in the shares of the ultimate holding company.

Auditors

Our auditors, KPMG Peat Marwick McLintock are willing to continue in office and a resolution concerning their re-appointment and remuneration will be submitted to the annual general meeting.

By order of the board



Secretary

26 April 1991

New Gotch House,  
32/38 Scrutton Street,  
London  
EC2A 4SS

REPORT OF THE AUDITORS, KPMG PEAT MARWICK McLINTOCK,  
TO THE MEMBERS OF GORDON & GOTCH HOLDINGS LIMITED  
(formerly GORDON & GOTCH HOLDINGS PLC)

We have audited the financial statements on pages 4 to 12 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 30 June 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LONDON

*KPMG Peat Marwick McLintock*

Chartered Accountants

26 April 1991

GORDON & GOTCH HOLDINGS LIMITED  
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ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with s228 and Schedule 4 to, the Companies Act 1985.

The effects of events relating to the year ended 30 June 1990 which occurred before 26 April 1991, the date of approval of the financial statements by the board of directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 June 1990 and of the results for the year ended on that date.

Consolidation

Consolidated accounts have not been prepared as the company is a wholly owned subsidiary of another company incorporated in the United Kingdom.

Taxation

The charge for taxation is based on the profit for the year. Deferred taxation is provided in respect of all material timing differences only to the extent that it is probable that an actual liability will arise.

GORDON & GOTCH HOLDINGS LIMITED  
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PROFIT AND LOSS ACCOUNT

For the year ended 30 June 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
Other operating income	1	2,055	427,766
Less:			
Administrative expenses		( 40,482)	( 148,239)
Other operating charges		<u>( 4,050)</u>	<u>( 182,278)</u>
Trading profit		( 42,477)	97,249
Interest receivable and income from fixed asset investments	3	114,226	337,173
Interest payable and similar charges	4	<u>-</u>	<u>( 52,563)</u>
Profit on ordinary activities before taxation	5	71,749	381,859
Taxation	6	<u>-</u>	<u>13,154</u>
Profit on ordinary activities after taxation		71,749	395,013
Extraordinary items	7	<u>265,520</u>	<u>5,093,232</u>
PROFIT AFTER TAX AND EXTRAORDINARY ITEMS		337,269	5,488,245
Dividends paid and proposed		<u>(250,000)</u>	<u>(8,125,000 )</u>
RETAINED PROFIT/(LOSS) FOR THE YEAR		<u>87,269</u>	<u>(2,636,755)</u>

Movements on reserves are set out in note 12.

The notes on pages 8 to 12 form part of these financial statements.

GORDON & GOTCH HOLDINGS LIMITED  
 (formerly GORDON & GOTCH HOLDINGS PLC)

BALANCE SHEET

As at 30 June 1990

	<u>Notes</u>	<u>1990</u> £	<u>1989</u> £
FIXED ASSETS			
Investments	8	<u>532,556</u>	<u>593,136</u>
		532,556	593,136
CURRENT ASSETS			
Debtors	9	9,405,817	8,858,662
Cash at bank and in hand		<u>464,610</u>	<u>939,578</u>
		9,870,427	9,798,240
CREDITORS: Amounts falling due within one year	10	<u>(6,895,101)</u>	<u>(6,970,763)</u>
NET CURRENT ASSETS		<u>2,975,326</u>	<u>2,827,477</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,507,882</u>	<u>3,420,613</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,142,634	1,142,634
Share premium	12	841,295	841,295
Profit and loss account	12	<u>1,523,953</u>	<u>1,436,684</u>
		<u>3,507,882</u>	<u>3,420,613</u>

The financial statements were approved by the directors  
 on 26 April 1991.

*[Signature]* Director  
*[Signature]* Director

The notes on pages 8 to 12 form part of these financial statements.

GORDON & GOTCH HOLDINGS LIMITED  
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STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 30 June 1990

	<u>1990</u> £	<u>1989</u> £
<b>SOURCE OF FUNDS</b>		
Profit on ordinary activities before tax and extraordinary items	71,749	381,859
Extraordinary items	<u>-</u>	<u>5,354,232</u>
	71,749	5,736,091
Adjustment for items not involving the movement of funds:		
Loss/(profit) on sale of tangible fixed assets	-	3,674
Loss/(profit) on sale of fixed asset investments	-	(5,478,870)
Provision for investments in subsidiaries	<u>-</u>	<u>124,638</u>
Total generated from operations	71,749	385,533
Funds from other sources:		
Proceeds of sales of tangible fixed assets	-	9,885
Proceeds of sale of fixed asset investments	<u>£5,100</u>	<u>8,831,346</u>
	136,849	9,226,764
<b>APPLICATION OF FUNDS</b>		
Dividends paid	-	(8,525,000)
Decrease in creditors: amounts falling due after more than one year	<u>-</u>	<u>(110,550)</u>
	136,849	591,214
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>		
Debtors	20,340	(5,820)
Amounts due from holding company and fellow subsidiaries	606,041	(757,933)
Creditors	<u>7,545</u>	<u>142,117</u>
	633,926	(621,636)
Movement in net liquid funds:		
Bank overdraft	(22,109)	273,612
Cash at bank and in hand	<u>(274,968)</u>	<u>939,238</u>
	136,849	591,214



GORDON & GOTCH HOLDINGS LIMITED  
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NOTES

(forming part of the financial statements)

1 OTHER OPERATING INCOME

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
Management commission	-	207,887
Other	<u>2,055</u>	<u>219,879</u>
	<u>2,055</u>	<u>427,766</u>

2 STAFF COSTS AND DIRECTORS EMOLUMENTS

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
Wages and salaries	-	123,062
Social security costs	-	23,445
Other pension costs	-	<u>1,732</u>
	-	<u>148,239</u>

The average number of employees during the year was made up as follows:

	<u>1990</u>	<u>1989</u>
	<u>Number</u>	<u>Number</u>
Administration	-	4

	<u>1990</u>	<u>1989</u>
	<u>£</u>	<u>£</u>
Directors' emoluments comprise:		
Fees	-	31,725
Other emoluments (including pension contributions)	-	<u>72,481</u>
	-	<u>104,206</u>

Emoluments (excluding pension contributions) include:

Chairman	£ NIL	£ 8,392
Highest paid director	£ NIL	£ 69,798

GORDON & GOTCH HOLDINGS LIMITED  
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NOTES (continued)

2 STAFF COSTS AND DIRECTORS EMOLUMENTS (continued)

	<u>1990</u> <u>Number</u>	<u>1989</u> <u>Number</u>
Other directors:		
£0 - £ 5,000	-	1
£5,001 - £10,000	-	2

3 INTEREST RECEIVABLE AND INCOME FROM FIXED ASSET INVESTMENTS

	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
Interest receivable	114,204	213,891
Dividend income from subsidiaries	22	23,282
Dividend income from related company	-	100,000
	<u>114,226</u>	<u>337,173</u>

4 INTEREST PAYABLE

	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
Bank loans and overdrafts and loan from subsidiary repayable wholly within five years	-	52,563

5 PROFIT ON ORDINARY ACTIVITIES

Profit on ordinary activities is stated after charging:

	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
Auditors' remuneration	10,420	6,000

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

There is no liability disclosed in the accounts for taxation on the profit on ordinary activities for the year as the liability has been fully offset by available losses.

GORDON & GOTCH HOLDINGS LIMITED  
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NOTES (continued)

7 EXTRAORDINARY ITEMS

	<u>1990</u> £	<u>1989</u> £
Provision for investments in subsidiaries	( 480)	(124,638)
Profit on disposal of subsidiary companies	5,000	548,030
Profit on disposal of related company	-	4,930,840
Tax on extraordinary income	-	( 261,000)
Prior year tax adjustment	<u>261,000</u>	<u>-</u>
	<u>265,520</u>	<u>5,093,232</u>

8 INVESTMENTS

Shares in  
subsidiary  
companies

Investments at 30 June 1989

£ 593,136

Investments at 30 June 1990

£ 532,556

Gordon & Gotch Enterprises Limited, Dawson Brothers Shipping Limited, and Alfred Royle & Willis Limited, which were held 100% by the company, were liquidated during the year.

The only subsidiary companies (both 100% owned and incorporated and operating in Great Britain) are:

Gordon & Gotch Warehouses Limited  
Gordon & Gotch (Investments) Limited

Activity

Dormant  
Dormant

Investments in subsidiary companies are stated at cost, less provision for permanent diminution in value.

In the opinion of the directors the investments in and amounts due from the company's subsidiaries are worth at least the amounts at which they are stated in the financial statements.

GORDON & GOTCH HOLDINGS LIMITED  
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NOTES (continued)

9 DEBTORS

Amounts falling due within one year:

	<u>1990</u> £	<u>1989</u> £
Amounts due from subsidiary companies	-	23,282
Amounts due from holding company	9,366,596	8,816,499
Other debtors including taxation and social security	39,221	17,684
Prepayments	<u>-</u>	<u>1,197</u>
	<u>9,405,817</u>	<u>8,858,662</u>

10 CREDITORS

Amounts falling due within one year:

	<u>1990</u> £	<u>1989</u> £
Bank overdraft	22,109	-
Amounts due to subsidiary companies	532,556	611,782
Amounts due to holding company	6,320,796	6,070,796
Corporation tax	-	261,000
Accruals	<u>19,640</u>	<u>27,185</u>
	<u>6,895,101</u>	<u>6,970,763</u>

11 CALLED UP SHARE CAPITAL

	<u>1990</u> £	<u>1989</u> £
Authorised 5,000,000 ordinary shares of 25p each	<u>1,250,000</u>	<u>1,250,000</u>
Allotted, called up and fully paid 4,570,536 ordinary shares of 25p each	<u>1,142,634</u>	<u>1,142,634</u>

GORDON & GOTCH HOLDINGS LIMITED  
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NOTES (continued)

12 RESERVES

	Share premium £	Profit and loss account £
At 30 June 1989	841,295	1,436,684
Retained profit for the year	<u>          </u>	<u>87,269</u>
At 30 June 1990	<u>841,295</u>	<u>1,523,953</u>

13 CONTINGENT LIABILITIES

There is a contingent liability in respect of indemnities and warranties given by the company in connection with the sales of a related company and certain subsidiaries during 1989.

14 HOLDING COMPANY

The ultimate holding company is Gordon & Gotch Limited, a company incorporated in Great Britain.