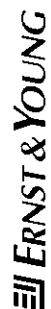


Fairholme Estates (Holdings) Limited

Report and Financial Statements

31 August 2004

 ERNST & YOUNG

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COMPANIES HOUSE 21/12/04

Fairholme Estates (Holdings) Limited

Registered No: 830036

Directors

S S Potel
O H Hermes
G.C Grover
G Potel
D Potel
M D Paisner

Secretary

O H Hermes

Auditors

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC Bank plc
95 Gracechurch Street
London
EC3V 0DQ

Solicitors

Berwin Leighton Paisner
Adelaide House
London Bridge
London
EC4R 9HA

Registered office

47 St John's Wood High Street
St John's Wood
London
NW8 7NJ

Directors' report

The directors present their report and the audited financial statements for the year ended 31 August 2004.

Results and dividends

The profit for the year attributable to shareholders amounts to £2,177,164 (2003 - £2,724,971). The directors proposed a final dividend of £255,625 (2003 - £255,625) in respect of the year ended 31 August 2004.

Principal activities and review of the business

The principal activity of the company is property investment. The company has performed in line with expectations for the year.

Fixed assets

All of the investment properties owned by the company have been revalued at the year end by Smith Melzack Pepper Angliss, Property Consultants and Valuation Surveyors, on an open market basis and the book values have been revised in accordance with those valuations. The resulting adjustment has been made as described in the accounting policy.

Post balance sheet events

Subsequent to the year end, the company purchased a freehold investment property from internal resources.

Directors and their interests

The directors who served during the year were as follows:

S S Potel
O H Hermes
G C Grover
G Potel
D Potel
M D Paisner

According to the register maintained as required under the Companies Act 1985, the directors' interests in the share capital of the company were as follows:

	<i>Ordinary £1 shares</i>	
	<i>31 August 2004</i>	<i>31 August 2003</i>
Beneficial interests:		
S S Potel	197,000	197,000
D Potel	76,300	76,300
Non-beneficial interests as trustees:		
S S Potel	35,000	35,000
G Potel	60,000	60,000
M D Paisner	156,000	156,000

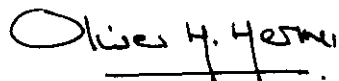
The other directors had no interests in the shares of the company.

Directors' report

Auditors

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board



O H Hermes
Secretary

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Statement of directors' responsibilities in respect of the financial statements

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 the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 keeping 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.

Independent auditors' report

to the members of Fairholme Estates (Holdings) Limited

We have audited the company's financial statements for the year ended 31 August 2004 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet, statement of cash flows and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 made 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 to give reasonable assurance that the financial statements are free from material misstatement, 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.

Independent auditors' report

to the members of Fairholme Estates (Holdings) Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 August 2004 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

15 December 2004

Profit and loss account

for the year ended 31 August 2004

	Notes	2004 £	2003 £
Turnover	2	3,721,980	3,898,851
Administrative expenses		515,014	578,325
Operating profit	3	3,206,966	3,320,526
Dividend receivable		—	5,036
Interest receivable and similar income		161,381	37,230
Interest payable	6	(980,915)	(1,120,274)
Provision against property valuation		—	(399,013)
Surplus on disposal of subsidiary undertaking		—	606,266
Surplus on property disposal		335,287	961,070
Profit on ordinary activities before taxation		2,722,719	3,410,841
Tax on profit on ordinary activities	7	(545,555)	(685,870)
Profit for the financial year		2,177,164	2,724,971
Dividend	8	(255,625)	(255,625)
Retained profit for the year	15	1,921,539	2,469,346

Statement of total recognised gains and losses

for the year ended 31 August 2004

	Notes	2004 £	2003 £
Profit for the year		2,177,164	2,724,971
Unrealised surplus on revaluation of investment properties		2,849,998	1,627,427
Total recognised gains and losses relating to the year		5,027,162	4,352,398

Note of historical cost profits and losses

	2004 £	2003 £
Reported profit on ordinary activities before taxation	2,722,719	3,410,841
Realisation of property revaluation gains of previous years	700,386	1,522,131
Historical cost profit on ordinary activities before taxation	3,423,105	4,932,972
Retained historical cost profit for the year	2,621,925	3,991,477

Balance sheet

at 31 August 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	9	48,742,130	47,494,229
Investments	10	182,386	213,988
		<u>48,924,516</u>	<u>47,708,217</u>
Current assets			
Debtors	11	59,948	84,972
Cash at bank and in hand		6,005,340	4,019,750
		<u>6,065,288</u>	<u>4,104,722</u>
Creditors: amounts falling due within one year			
Bank overdraft		1,761	—
Trade and other creditors	12	769,412	810,015
Loans	13	474,340	474,340
Taxation		360,000	323,113
Proposed dividend	8	255,625	255,625
		<u>1,861,138</u>	<u>1,863,093</u>
Net current assets		<u>4,204,150</u>	<u>2,241,629</u>
Total assets less current liabilities		<u>53,128,666</u>	<u>49,949,846</u>
Creditors: amounts falling due after more than one year			
Amounts owed to subsidiary undertakings		19,649	19,649
Loans	13	11,522,710	13,001,050
		<u>11,542,359</u>	<u>13,020,699</u>
Provisions for liabilities and charges			
Deferred tax	16	954,015	1,068,392
Total assets less liabilities		<u>40,632,292</u>	<u>35,860,755</u>
Capital and reserves			
Called up share capital	14	409,000	409,000
Share premium account	15	6,148	6,148
Revaluation reserve	15	19,515,948	17,366,336
Profit and loss account	15	20,701,196	18,079,271
Equity shareholders' funds	15	<u>40,632,292</u>	<u>35,860,755</u>



S S Patel
Director

26 NOV 2004

Statement of cash flows

at 31 August 2004

	Notes	2004 £	2003 £
Net cash inflow from operating activities	17(a)	3,214,472	3,568,229
Returns on investments and servicing of finance			
Interest received		141,884	39,056
Interest paid		(999,614)	(1,139,083)
		(857,730)	(1,100,027)
Taxation			
Corporation tax paid		(623,045)	(461,348)
Capital expenditure and financial investment			
Payments to acquire investment properties		—	(1,586)
Receipts from sale of investment properties		1,945,287	3,924,367
Payments to acquire other tangible fixed assets		(13,189)	(1,140)
Receipts from sales of other tangible fixed assets		1,999	—
Payments to acquire investments		—	(200,000)
		1,934,097	3,721,641
Acquisitions and disposals			
Sale of subsidiary undertaking		50,000	655,758
Net cash disposed of with subsidiary undertaking		—	(89,608)
		50,000	566,150
Equity dividends paid		(255,625)	(255,625)
Net cash inflow before financing		3,462,169	6,039,020
Financing			
New long term loans		96,000	2,757,241
Repayment of long term loans		(1,574,340)	(4,974,340)
		(1,478,340)	(2,217,099)
Increase in cash	17(b)	1,983,829	3,821,921
Reconciliation of net cash flow to movement in net debt			
	Note	2004 £	2003 £
Increase in cash		1,983,829	3,821,921
Cash outflow from net loans		1,478,340	2,217,099
Movement in net debt		3,462,169	6,039,020
Net debt at 1 September	17(b)	(9,455,640)	(15,494,660)
Net debt at 31 August	17(b)	(5,993,471)	(9,455,640)

Notes to the financial statements

at 31 August 2004

1. Accounting policies (continued)

Accounting convention

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties, and in accordance with applicable accounting standards.

The profit and loss accounts in the current and prior year has been restated to reclassify interest payable from within administrative expenses to below operating profit on the face of the profit and loss account. This has had no effect on profit before tax or net assets in either the current or prior year.

Consolidated financial statements

The company has taken advantage of the exemption under section 248 of the Companies Act (1985) not to prepare consolidated financial statements as it is defined as a small group. As a result these financial statements present information about the company as an individual undertaking.

Investment properties

Investment properties are accounted for in accordance with SSAP 19, as follows:

- (i) investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Where the revaluation reserve is insufficient to cover a permanent diminution in value on a property by property basis, the amount by which the deficit exceeds the amount in the investment revaluation reserve is charged to the profit and loss account; and
- (ii) no depreciation is provided in respect of freehold and long leasehold investment properties.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of the many factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

Depreciation

Investment properties are not depreciated and are carried at valuation. The cost of tangible fixed assets, other than investment properties, is depreciated by equal annual instalments over the estimated useful lives of the assets as follows:

Motor vehicles	-	5 years
Plant	-	10 years
Office equipment	-	5-20 years

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Fixed asset investments

Fixed asset investments are stated at cost.

The carrying values of investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

at 31 August 2004

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

Turnover represents the amounts derived from rents receivable in the year and the provision of goods and services, which fall within the company's ordinary activities, stated net of value added tax.

3. Operating profit

This is stated after charging/(crediting):

	2004 £	2003 £
Auditors' remuneration	9,712	15,000
(Gain)/ loss on sale of fixed assets other than investment properties	(205)	-
Depreciation of tangible fixed assets	3,494	2,596
Provision against carrying value of investments	31,603	12,847
	<u>34,594</u>	<u>29,443</u>

4. Emoluments of directors

	2004 £	2003 £
Emoluments	175,441	161,954
Contributions paid to pension schemes	9,360	9,000
	<u>184,801</u>	<u>170,954</u>

The company operates a defined contribution pension scheme for the sole benefit of one of the directors. The assets of the scheme are held separately from those of the company in an independently administered fund.

Notes to the financial statements

at 31 August 2004

5. Staff costs, excluding directors' emoluments

	2004 £	2003 £
Wages and salaries	31,922	40,648
Social security costs	3,130	830
	<u>35,052</u>	<u>41,478</u>

The average monthly number of persons employed by the company, including directors, during the year was as follows:

	2004 No.	2003 No.
Management	5	5
General staff	1	1
	<u>6</u>	<u>6</u>

6. Interest payable

	2004 £	2003 £
On loans repayable within 5 years and bank advances	282,991	410,065
Other loans	697,924	710,209
	<u>980,915</u>	<u>1,120,274</u>

7. Taxation

(a) Analysis of charge in year:

	2004 £	2003 £
<i>Current tax</i>		
UK corporation tax on the profit for the year	660,000	605,043
Over provision in prior years	(68)	(964)
Total current tax (note 7(b))	<u>659,932</u>	<u>604,079</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(114,377)	81,791
Total tax charge for year	<u>545,555</u>	<u>685,870</u>

Notes to the financial statements

at 31 August 2004

7. Taxation (continued)

(b) Factors affecting current tax charge for the year:

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	2,722,719	3,410,841
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003 - 30%)	816,816	1,023,252
<i>Effects of:</i>		
Higher/(lower) effective rate of tax on sale of investment properties	21,068	(108,307)
Non deductible provision for diminution in value of investment property	—	119,704
Non deductible provision for diminution in value of investment	9,482	3,854
Expenses not deductible for tax purposes	3,143	2,565
Capital allowances in advance of depreciation	(69,244)	(89,491)
Adjustments to tax charge in respect of previous years	(68)	(964)
Utilisation of capital gains tax losses brought forward	(121,264)	(346,534)
Current tax for the year (note 7(a))	659,933	604,079

(c) Factors affecting future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would become payable only if the property were sold without it being possible to claim rollover relief or offset against capital gains losses brought forward. The total amount unprovided at the year end in respect of revaluations is approximately £3.2 m (2003 - £2.7m). At present it is not envisaged that any tax will become payable in the foreseeable future.

The company has an unrecognised deferred tax asset of £274,217 (2003 - £395,481) being capital losses brought forward. Based on the FRS 19 recognition criteria, these amounts are not recognisable at the present time as suitable capital gains cannot be forecast with sufficient certainty by the company.

8. Dividend

	2004 £	2003 £
Proposed final dividend of 62.5p per share	255,625	255,625

Notes to the financial statements

at 31 August 2004

9. Tangible fixed assets

	<i>Freehold and long leasehold investment properties</i>	<i>Fixtures, fittings, equipment and motor vehicles</i>	<i>Total</i>
	£	£	£
Cost or valuation:			
At 1 September 2003	47,490,000	47,516	47,537,516
Additions	—	13,189	13,189
Disposals	(1,610,000)	(33,557)	(1,643,557)
Revaluation increase	2,850,000	—	2,850,000
At 31 August 2004	48,730,000	27,148	48,757,148
Depreciation:			
At 1 September 2003	—	43,287	43,287
Charge for the year	—	3,494	3,494
Disposals	—	(31,763)	(31,763)
At 31 August 2004	—	15,018	15,018
Net book amounts:			
At 31 August 2004	48,730,000	12,130	48,742,130
At 1 September 2003	47,490,000	4,229	47,494,229

All of the investment properties owned by the company were professionally valued by Smith Melzack Pepper Angliss, Property Consultants and Valuation Surveyors, on an open market basis at 31 August 2004.

No provision has been made for taxation on capital gains which would arise if the company were to dispose of investment properties at their book values (see note 7(c)).

In respect of investment properties, which are stated at open market value, the historical cost to the company of the properties is as follows:

	<i>2004</i>	<i>2003</i>
	£	£
Properties held by the company	29,613,065	30,522,677

Notes to the financial statements

at 31 August 2004

10. Investments

	<i>Subsidiary undertakings</i>	<i>Listed shares</i>	<i>Total</i>
	£	£	£
Cost or valuation:			
At 1 September 2003	19,649	200,000	219,649
Provision:			
At 1 September 2003	—	5,661	5,661
Charge for the year	—	31,602	31,602
At 31 August 2004	—	37,263	37,263
Net book amounts:			
At 31 August 2004	19,649	162,737	182,386
At 1 September 2003	19,649	194,339	213,988

The amount shown as investment in subsidiary undertakings in the prior year has been amended to include the investment in Fairholme Management Limited of £1,650.

The company owns 100% of the issued ordinary share capital of:-

<i>Subsidiary undertakings</i>	<i>Nature of business</i>
Fairholme Estates Limited	Dormant
Fairholme Management Limited	Dormant

11. Debtors

	2004	2003
	£	£
Other debtors	54,524	81,194
Prepayments and accrued income	5,424	3,778
	59,948	84,972

Notes to the financial statements

at 31 August 2004

12. Trade and other creditors

	2004	2003
	£	£
Other creditors	55,930	61,952
Taxation and social security	83,385	82,343
Accruals and deferred income	630,097	665,720
	<u>769,412</u>	<u>810,015</u>

13. Loans

	2004	2003
	£	£
Not wholly repayable within 5 years:		
8.19% mortgage expiring on 12 November 2017	1,065,000	1,125,000
8.19% mortgage expiring on 12 November 2017	1,535,000	1,625,000
11.375% debenture stock 2012	2,000,000	2,000,000
6.13% mortgage expiring on 1 October 2021	4,000,000	4,000,000
	<u>8,600,000</u>	<u>8,750,000</u>
Wholly repayable within 5 years:		
Bank loan repayable 28 March 2008	1,300,000	2,700,000
11.58% mortgage expiring on 1 October 2006	1,332,050	1,356,390
5.75% loans from shareholders, directors and their families	765,000	669,000
	<u>11,997,050</u>	<u>13,475,390</u>
Less: included in creditors: amounts falling due within one year	474,340	474,340
	<u>11,522,710</u>	<u>13,001,050</u>
Amounts repayable:		
In one year or less, or on demand	474,340	474,340
In more than one year but not more than two years	474,340	474,340
In more than two years but not more than five years	3,233,410	3,857,710
	<u>4,182,090</u>	<u>4,806,390</u>
In more than 5 years	7,814,960	8,669,000
	<u>11,997,050</u>	<u>13,475,390</u>

The bank loan above is set at a variable rate of 1% above Base Rate.

All loans, except those repayable on demand, are secured against specific properties.

Notes to the financial statements

at 31 August 2004

13. Loans (continued)

Fair value of loans:

	<i>Book value</i>		<i>Fair value</i>	
	<i>2004</i>	<i>2003</i>	<i>2004</i>	<i>2003</i>
	£	£	£	£
Long term borrowings	11,522,710	13,001,050	12,172,274	14,068,627

The fair value of long terms loans has been calculated by discounting the expected future cash flows arising under the company's loan arrangements at the bank swap rate at each year end.

14. Share capital

	<i>Authorised</i>	
	<i>2004</i>	<i>2003</i>
	£	£
Ordinary shares of £1 each	1,500,000	1,500,000

	<i>Allotted, called up and fully paid</i>	
	<i>2004</i>	<i>2003</i>
	No.	No.
	£	£
Ordinary shares of £1 each	409,000	409,000

15. Reconciliation of movements in shareholders' funds

	<i>Share capital</i>	<i>Share premium account</i>	<i>Revaluation reserve</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£	£	£
At 31 August 2002	409,000	6,148	17,261,040	14,087,794	31,763,982
Property revaluation			1,627,427		1,627,427
Property disposal			(1,522,131)	1,522,131	—
Profit for the year				2,724,971	2,724,971
Dividend				(255,625)	(255,625)
At 31 August 2003	409,000	6,148	17,366,336	18,079,271	35,860,755
Property revaluation			2,849,998		2,849,998
Property disposal			(700,386)	700,386	—
Profit for the year				2,177,164	2,177,164
Dividend				(255,625)	(255,625)
At 31 August 2004	409,000	6,148	19,515,948	20,701,196	40,632,292

The company's profit and loss account balance of £20,701,196 as at 31 August 2004 (2003 - £18,079,271) includes non-distributable reserves of £2,386,801 (2003 - £2,562,471).

Notes to the financial statements

at 31 August 2004

16. Provisions for liabilities and charges

The deferred tax included in the balance sheet is as follows:

	2004 £	2003 £
Accelerated capital allowances	954,015	1,068,392
Provision as restated at start of year		1,068,392
Deferred tax charge in profit and loss account for the year (note 8)		69,244
Adjustment in respect of prior years		(183,621)
Provision at end of year		954,015

17. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities:

	2004 £	2003 £
Operating profit	3,206,966	3,320,526
Depreciation	3,494	2,596
Profit on disposal of fixed assets	(205)	—
Provision against investment	31,603	12,847
Provision against investment in subsidiary undertaking	—	151,958
(Increase)/ decrease in debtors	(5,479)	3,170
(Decrease)/ increase in creditors	(21,907)	77,132
Net cash inflow from operating activities	3,214,472	3,568,229

(b) Analysis of net debt:

	At 31 August 2003 £	Cash flow £	At 31 August 2004 £
Overdraft	—	(1,761)	(1,761)
Cash at bank and in hand	4,019,750	1,985,590	6,005,340
Loans	(13,475,390)	1,478,340	(11,997,050)
	(9,455,640)	3,462,169	(5,993,471)

Fairholme Estates (Holdings) Limited

Detailed profit and loss account for the company

for the year ended 31 August 2004

	2004 £	2003 £
Turnover		
Rents receivable	3,721,980	3,898,851
Administrative expenses		
Audit fee	9,712	15,000
Bank interest and charges	56,399	63,512
Loan interest	924,516	1,056,762
Sundry expenses	41,934	7,008
Insurance	7,520	9,880
Management charge	1,127	6,827
Salaries and wages	236,403	230,408
Professional fees	89,278	146,272
Travelling expenses	6,070	5,720
Rent, rates and services	33,745	53,087
Advertising	283	1,507
Light and heat	(1,230)	2,000
Telephone and telex	6,508	4,783
Printing and stationery	3,872	7,200
Depreciation	3,494	2,600
Ground rent	1,325	1,325
Repairs to tenanted properties	28,600	11,848
Empty property costs	634	8,418
Gift aid	10,000	10,000
Mortgage expenses	4,271	51,091
Recovery from adjoining occupier	—	(10,196)
	1,464,461	1,685,052
Trading profit	2,257,519	2,213,799
Interest receivable	161,381	37,230
Exchange loss	(70)	(200)
Surplus on disposal	205	(500)
Provision against investment	(31,603)	(12,847)
Reduction in property valuation	—	(399,013)
	2,387,432	1,838,469
Taxation	(659,932)	(685,870)
Over Provision	114,377	—
	1,841,877	1,152,599
Surplus on disposal of subsidiary	—	606,266
Surplus on property disposal	335,287	961,070
Transfer from revaluation reserve	700,386	1,522,131
Dividend payable	(255,625)	(255,625)
Dividend receivable	—	5,036
Balance brought forward	18,079,271	14,087,794
Balance carried forward	20,701,196	18,079,271