

Registrar

# Standard Securities Limited

## FINANCIAL STATEMENTS

for the year ended  
30 June 2000



# Standard Securities Limited

## DIRECTORS AND OFFICERS

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### DIRECTORS

Mr NE Dangoor  
Mrs RR Dangoor  
Mr DAE Dangoor  
Mr MAJ Dangoor  
Mr EBV Dangoor

### SECRETARY

Mr DAE Dangoor

### COMPANY NUMBER

979400 (England and Wales)

### REGISTERED OFFICE

4 Carlos Place  
Mayfair  
London W1Y 5AE

### AUDITORS

Baker Tilly  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

# Standard Securities Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of Standard Securities Limited for the year ended 30 June 2000.

### PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of property investment.

### RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5. The directors do not recommend the payment of a dividend (1999:£1,000,000). The profit after tax and dividends of £366,051 (1999: loss of £435,455) was transferred to reserves.

### FIXED ASSETS

The significant changes in fixed assets during the year are detailed in note 7 to the financial statements.

### DIRECTORS

The following directors have held office during the year:

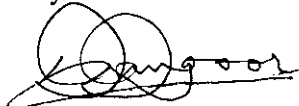
Mr NE Dangoor  
Mrs RR Dangoor  
Mr DAE Dangoor  
Mr MAJ Dangoor  
Mr EBV Dangoor

No director who is not also a director of the parent company, Monopro Limited, has any interest in the share capital of the company other than Mr EBV Dangoor who is beneficially interested in 1,169,990 'B' shares and 10 'A' shares in Monopro Limited.

### AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



DAE DANGOOR  
Secretary

25 June 2001

# Standard Securities Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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 of the company for that year. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 requirements of 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.

## AUDITORS' REPORT TO THE MEMBERS OF STANDARD SECURITIES LIMITED

We have audited the financial statements on pages 5 to 11.

### **Respective responsibilities of directors and auditors**

As described on page 3 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 those statements and to report our opinion to you.

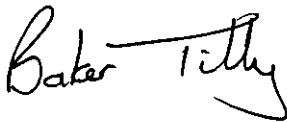
### **Basis of opinion**

We 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 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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BAKER TILLY

Registered Auditor  
Chartered Accountants  
2 Bloomsbury Street  
London WC1B 3ST

25 June 2001

# Standard Securities Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 30 June 2000

	Notes	2000 £	1999 £
TURNOVER	1	1,258,706	812,816
Cost of sales		(101,615)	(75,794)
Gross profit		1,157,091	737,022
Administration expenses		(154,620)	(130,655)
OPERATING PROFIT		1,002,471	606,367
Interest receivable		9,167	-
Interest payable	4	(570,717)	(5,570)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	440,921	600,797
Taxation	5	(74,870)	(36,252)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		366,051	564,545
Dividends	6	-	(1,000,000)
RETAINED PROFIT/(LOSS) FOR THE YEAR	14	366,051	(435,455)

The operating profit for the year arises from the company's continuing operations.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000 £	1999 £
Profit for the financial period	366,051	564,545
Unrealised surplus on revaluation of investment properties	1,006,112	116,635
Total recognised gains and losses relating to the period	1,372,163	681,180

# Standard Securities Limited

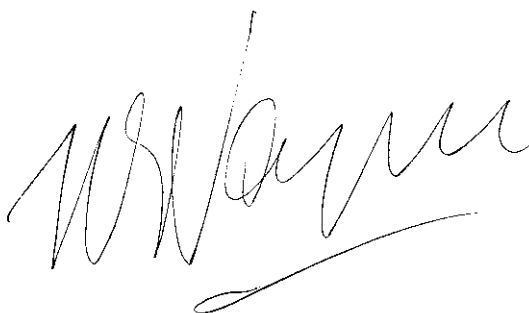
## BALANCE SHEET

30 June 2000

	<i>Notes</i>	2000 £	1999 £
FIXED ASSETS			
Tangible assets	7	12,021,865	11,022,394
Investments	8	100	100
		<u>12,021,965</u>	<u>11,022,494</u>
CURRENT ASSETS			
Debtors	9	300,610	250,932
Cash at bank and in hand		9	23,771
		<u>300,619</u>	<u>274,703</u>
CREDITORS: Amounts falling due within one year	10	413,510	324,654
NET CURRENT LIABILITIES		<u>(112,891)</u>	<u>(49,951)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,909,074	10,972,543
CREDITORS: Amounts falling due after one year	11	(10,260,413)	(10,696,045)
		<u>1,648,661</u>	<u>276,498</u>
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Revaluation reserve	13	1,122,747	116,635
Profit and loss account	14	525,814	159,763
		<u>1,648,661</u>	<u>276,498</u>

Approved by the board on 25 June 2001

Director



# Standard Securities Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention subject to the revaluation of certain freehold investment properties and based upon the continued support of the parent undertaking.

### INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP 19 "Accounting for Investment Properties", which provides that these should not be subject to periodic depreciation charges (unless held on short lease), but should be shown at an open market value. This is contrary to the Companies Act 1985 which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to market value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act does not give a true and fair view as these assets are not held for consumption in the business but as investments, the disposal of which would not materially affect any manufacturing or trading operations of the enterprise. In such a case it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by SSAP 19 is considered appropriate for investment properties.

### TANGIBLE FIXED ASSETS

Tangible fixed assets, other than investment properties, are stated at cost less depreciation. Depreciation is provided on a basis that is expected to write off the cost of the asset over its anticipated useful life at the following annual rates:-

Equipment	15% reducing balance
Leased asset	10% straight line

### CASH FLOW STATEMENT

The company has taken advantage of the dispensation provided by Financial Reporting Standard 1 and has not provided a cash flow statement.

### TURNOVER

Turnover represents the net amount invoiced to and recoverable from customers.



# Standard Securities Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2000

### 1 TURNOVER

The company's turnover derived from its principal activity and all sales were made in the United Kingdom.

### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
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Profit on ordinary activities before taxation is stated after charging:

Auditors' remuneration	10,500	13,150
Depreciation of owned fixed assets	15,623	5,031

### 3 DIRECTORS AND STAFF

	2000 No.	1999 No.
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The average number of persons employed by the company, including directors, during the year was as follows:

Management	3	3
Administration	2	2
Total employees	5	5

The directors received no remuneration in the year under review (1999: £Nil).

	2000 £	1999 £
The aggregate payroll costs of these persons was as follows:		
Wages and salaries	20,216	27,704
Social security costs	1,670	2,682
	21,886	30,386

### 4 INTEREST PAYABLE

	2000 £	1999 £
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On bank loans, overdrafts and other loans repayable within 5 years

Other interest payable - Inland Revenue:

Interest on late payment of corporation tax	4,523	-
Interest charge to Monopro Limited	565,710	-
	570,717	5,570

### 5 TAXATION

	2000 £	1999 £
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Based on the result for the year:

UK corporation tax	93,421	50,000
Adjustment in respect of prior period	(18,551)	(13,748)
	74,870	36,252

# Standard Securities Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2000

6	DIVIDENDS	2000 £	1999 £
	Ordinary:		
	Final proposed	-	1,000,000

7	TANGIBLE FIXED ASSETS	<i>Freehold</i> £	<i>Long term leasehold</i> £	<i>Assets held for lease</i> £	<i>Equipment</i> £	<i>Total</i> £
	Cost					
	1 July 1999	6,511,636	4,382,252	100,000	41,799	11,035,687
	Additions	-	-	-	8,982	8,982
	Revaluation surplus	788,364	217,748	-	-	1,006,112
	30 June 2000	7,300,000	4,600,000	100,000	50,781	12,050,781
	Depreciation					
	1 July 1999	-	-	-	13,293	13,293
	Charged in the year	-	-	10,000	5,623	15,623
	30 June 2000	-	-	10,000	18,916	28,916
	Net book value					
	30 June 2000	7,300,000	4,600,000	90,000	31,865	12,021,865
	30 June 1999	6,511,636	4,382,252	100,000	28,506	11,022,394

Freehold and leasehold properties were valued at 30 June 2000 at their open market values by Mr D Dangoor, a director of the company. If these properties were disposed of at their balance sheet amount it is estimated that the tax liability would amount to approximately £90,000.

The historic cost of land and buildings is:

	2000 £	1999 £
Freehold	6,395,001	6,395,001
Leasehold	4,382,252	4,382,252

All properties are investment properties within the meaning of Statement of Standard Accounting Practice 19.

# Standard Securities Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2000

### 8 INVESTMENTS £

Shares in subsidiary undertaking at cost  
1 July 1999 and 30 June 2000 100

				Capital and reserves at year end
Name of company	Nature of business	Class of shares	Proportion of class held	£
Nailgrange Limited	Non-trading	Ordinary	100%	1,424

The subsidiary is registered in England and Wales. The company has relied on the exemption conferred by s.248 Companies Act 1985 from the requirement to prepare group accounts.

### 9 DEBTORS 2000      1999 £      £

Trade debtors	265,272	236,244
Other debtors	34,865	14,688
Prepayments and accrual income	473	-
	<u>300,610</u>	<u>250,932</u>

### 10 CREDITORS: Amounts falling due within one year 2000      1999 £      £

Bank overdraft	7,214	21,111
Corporation tax	93,421	45,291
Other taxation and social security costs	42,272	17,517
Accruals and deferred income	270,603	240,735
	<u>413,510</u>	<u>324,654</u>

The bank overdraft is secured by way of a first legal charge over a freehold investment property and a guarantee provided by the ultimate parent undertaking of £10,000.

### 11 CREDITORS: Amounts falling due after one year 2000      1999 £      £

Amounts owed to parent undertaking	10,260,413	10,696,045
	<u>10,260,413</u>	<u>10,696,045</u>

The parent undertaking charges daily interest at a rate of 1% over Barclays Bank plc base rate.

# Standard Securities Limited

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2000

12	CALLED UP SHARE CAPITAL	2000 £	1999 £
	Authorised:		
	1,000 ordinary shares of £1 each	1,000	1,000
	Issued and fully paid:		
	100 ordinary shares of £1 each	100	100
	The directors regard Monopro Limited, which is registered in England and Wales, as the ultimate parent undertaking.		
13	REVALUATION RESERVE	2000 £	1999 £
	1 July 1999	116,635	-
	Revaluation surplus during the year	1,006,112	116,635
	30 June 2000	1,122,747	116,635
14	PROFIT AND LOSS ACCOUNT	2000 £	1999 £
	1 July 1999	159,763	595,218
	Profit/(loss) for the financial year	366,051	(435,455)
	30 June 2000	525,814	159,763
15	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2000 £	1999 £
	Profit/(loss) for the financial year	366,051	(435,455)
	Revaluation surplus	1,006,112	116,635
	Opening shareholders' funds	276,498	595,318
	Closing shareholders' funds	1,648,661	276,498