

Number of Company

2,068,919

CHASE MONTAGU LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st December 1993

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CHASE MONTAGU LIMITEDDirectors

S.L. Hinchliffe (Chairman)  
M. Hinchliffe, C.T. Harrison

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their Report and the Audited Financial Statements for the year ended 31st December 1993.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company continued to trade as a financial consultant and acquired several companies during the year on an investment basis.

During the year the company exchanged majority shareholdings in several companies for preference shares and debentures in a newly formed holding company. In view of the performance of the newly formed company after the year end, the directors have had to write down the book value of the investment in that company. Despite this the directors are able to report a profit on ordinary activities after taxation of £540,985 and look to the future with cautious optimism.

TANGIBLE FIXED ASSETS

The movements in tangible fixed assets are shown in the Notes on the Accounts.

DIRECTORS

The members of the Board from the beginning of the financial year to date and their interests in the company's shares have been as follows -

	At end of year	At beginning of year or later date of appointment
S.L. Hinchliffe	99	99
M. Hinchliffe	1	1
C.T. Harrison	-	-

ELECTIVE RESOLUTIONS

At a general meeting of the company held on 9th March 1992, resolutions were passed dispensing with the holding of Annual General Meetings, the laying of accounts and reports before general meetings, and the appointment of auditors annually.

AUDITORS

The auditors, Robert M. Grierson & Co., are willing to continue in office and are expected to be deemed to be reappointed in accordance with the elective resolution currently in force.

Approved by the Board on the  
22 May 1994  
and signed on its behalf by

S. L. HINCHLIFFE  
Director

Registered Office

Parkhead Hall  
Ecclesall Road South  
Sheffield S11 9PX

CHASE MONTAGU LIMITEDSTATEMENT OF 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 the profit or loss of the company 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 or other irregularities.

AUDITORS' REPORT TO THE DIRECTORS OF CHASE MONTAGU LIMITEDPURSUANT TO SECTION 248(3) OF THE COMPANIES ACT 1985

We have examined the financial statements of the company and each of its subsidiaries for the financial year ended 31st December 1993.  
Basis of opinion

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.  
Opinion

In our opinion the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985.

  
ROBERT M. GRIERSON & CO

Registered Auditor  
Chartered Accountants

Moor Oaks Lodge  
6 Moor Oaks Road  
Sheffield S10 1BX

22nd May 1995

CHASE MONTAGU LIMITEDREPORT OF THE AUDITORS TO THE MEMBERS OF  
CHASE MONTAGU LIMITED

We have audited the financial statements on pages 4 to 11.

Respective responsibilities of directors and auditors

As described on page 2, 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 as at 31st December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
ROBERT M. GRIERSON & CO

Registered Auditor  
Chartered Accountants

Moor Oaks Lodge  
6 Moor Oaks Road  
Sheffield S10 1BX

22nd May 1995

## CHASE MONTAGU LIMITED

## Balance Sheet at 31st December 1993

	Note	£ 1993	£	£ 1992	£
FIXED ASSETS					
Tangible Assets	6	735,106		757,177	
Investments	9	3,959,860		2,413,509	
		<u>4,694,966</u>		<u>3,170,686</u>	
CURRENT ASSETS					
Debtors	2	279,294		393,016	
Investments	7	3,222		32,614	
Cash at Bank and in Hand	2	612		4,360	
		<u>283,128</u>		<u>429,990</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	3	3,520,429		2,845,424	
NET CURRENT ASSETS/(LIABILITIES)		(3,237,301)		(2,415,434)	
TOTAL ASSETS LESS CURRENT LIABILITIES		1,457,665		755,252	
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Bank Loans and Overdrafts	5	283,961		312,663	
Hire Purchase and Finance Leases		-		198,717	
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred Taxation	8	451,095		62,430	
		<u>735,056</u>		<u>573,810</u>	
		<u>722,609</u>		<u>181,442</u>	
CAPITAL AND RESERVES					
CALLED-UP SHARE CAPITAL	10	100		100	
REVALUATION RESERVE	11	25,149		25,521	
PROFIT AND LOSS ACCOUNT	11	697,360		155,821	
		<u>722,609</u>		<u>181,442</u>	

Approved by the Board on the  
22 May 1995  
and signed on its behalf by

S.L. HINCHLIFFE

Director

## CHASE MONTAGU LIMITED

Profit and Loss Account for the year ended 31st December 1993

	Note	£ 1993	£	£ 1992	£
TURNOVER	1	1,709,273		559,931	
ADMINISTRATIVE EXPENSES		1,963,767		862,964	
		(254,494)		(303,033)	
OTHER OPERATING INCOME		3,520,986		220,210	
OPERATING PROFIT/(LOSS)		3,266,492		(82,823)	
INCOME FROM OTHER FIXED ASSET INVESTMENTS		18		500	
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		1,347		17,362	
		3,267,857		(64,961)	
AMOUNTS WRITTEN OFF INVESTMENTS INTEREST PAYABLE AND SIMILAR CHARGES	2,277,874	60,151		81,406	
		2,338,025		81,406	
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAX	12	929,832		(146,367)	
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	13	388,847		22,857	
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAX		540,985		(169,224)	
TRANSFER TO/(FROM) RESERVES	11	540,985		(169,224)	

A Statement of Total Recognised Gains and Losses has not been provided as the company had no recognised gains or losses other than the profit for the year.

All the company's operations are classified as continuing.

## CHASE MONTAGU LIMITED

## Notes on the Accounts for the year ended 31st December 1993

1. ACCOUNTING POLICIES

- (a) The Accounts are prepared in accordance with the historical cost convention, modified to include certain fixed assets at valuation. The following is a summary of the more important accounting policies.
- (b) The company is exempted from preparing group accounts by FRS 2 and by section 248 of the Companies Act 1985, because the group qualifies as small-sized as defined by section 249 of that Act. The accounts present information about the company as an individual undertaking and not about its group. Information regarding the subsidiaries is given in Note 15.
- (c) Being small-sized as defined by sections 247 to 249 of the Companies Act 1985, the company and the group are exempted by FRS 1 from the requirement to include a cashflow statement in the accounts.
- (d) Leasehold property held for its investment potential is not depreciated but is included at the directors' best estimate of open market value. This departure from the requirement of the Companies Act 1985 for all fixed assets to be depreciated is, in the opinion of the directors, necessary for the financial statements to give a true and fair view in accordance with the overriding requirement of section 226 of that Act. The remaining leasehold property is depreciated over the unexpired term of the lease. Depreciation in relation to the remaining tangible fixed assets is calculated by the straight-line method and aims to write down the cost of the assets over their expected useful lives, the annual rates generally applied being as follows -
- |                       |      |
|-----------------------|------|
| Fixtures and Fittings | 10%  |
| - Motor Vehicles      | 25%. |
- (c) Investments held as fixed assets are stated at cost, reduced by any permanent diminution in value. The surplus or deficit arising on the disposal of investments is calculated by comparing the book value of investments sold with the fair value of consideration received.
- Classic motor cars acquired by the company under hire purchase or other agreements giving rights approximating to ownership are capitalised as if they had been purchased outright. The capital element of future rentals is treated as a liability, while the interest element of the rentals is charged to profit and loss account over the period covered by the agreement in proportion to the balance of capital repayments outstanding.
- (d) Investments in subsidiaries held at the beginning of the year exclusively with a view to resale were stated at cost as current assets. This included acquisition costs and was net of compensation received from one of the vendors under the terms of the share agreement.
- (e) Known bad debts are written off and specific provision is made for any considered to be doubtful of collection. Recoveries are credited to the Profit and Loss Account in the year received.
- (f) Turnover represents the total amount receivable in the ordinary course of business for services provided, excluding value added tax.
- (g) The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently-administered fund. The amount of contributions payable by the company is shown in Note 12 as "Other Pension Costs"
- (h) Provision is made for deferred taxation under the liability method at the standard rate of corporation tax applicable at the balance sheet date.

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## CHASE MONTAGU LIMITED

Notes on the Accounts for the year ended 31st December 1993

2. CURRENT ASSETS

	£ 1993	£	£ 1992	£
Debtors				
Trade Debtors	41,421		450	
Other Debtors	231,721		381,900	
Prepayments and Accrued Income	6,152		10,666	
		279,294		393,016
Investments	7	3,222		32,614
Cash at Bank and in Hand				
Cash at Bank	332		4,257	
Cash in Hand	280		103	
		612		4,360
		283,128		429,990

Included in "Other Debtors" is £56,641 comprising amounts advanced to the chairman, Mr. S.L. Hinchliffe, in respect of which no interest is chargeable. This was the maximum amount outstanding at any time during the year.

3. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Note	1993 £	1992 £
Bank Loans and Overdrafts	4	90,321	42,676
Trade Creditors		73,739	110,110
Amounts Owed to Subsidiary Companies		349,194	726,090
Corporation Tax		48,916	49,152
Social Security and Other Taxes		129,925	15,572
Hire Purchase and Finance Leases		198,717	47,242
Other Creditors		2,605,062	1,817,348
Accruals and Deferred Income		24,555	37,234
		3,520,429	2,845,424

4. BANK BORROWINGS

The company's bank borrowings are secured by a fixed charge secured on the leasehold property owned by the company at the beginning of the year and by a floating charge over its other assets.

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1993 £	1992 £
Amounts falling due:		
1 - 2 years after balance sheet date	49,027	227,419
2 - 5 years after balance sheet date	166,653	159,160
More than 5 years after balance sheet date	68,371	124,801
	283,961	511,380

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## CHASE MONTAGU LIMITED

Notes on the Accounts for the year ended 31st December 1993

6. TANGIBLE FIXED ASSETS

	Long Leasehold Property	Plant and Mach'y	Fixtures and Fittings	Motor Vehicles	TOTAL
	£	£	£	£	£
Cost and Valuation					
Beginning of Year	571,646	3,974	103,237	178,344	857,201
Additions	120	-	81,274	51,800	133,194
Disposals	-	-	(36,620)	(86,350)	(122,970)
End of Year	<u>571,766</u>	<u>3,974</u>	<u>147,891</u>	<u>143,794</u>	<u>867,425</u>

Land and buildings held as investment property is stated at the cost of £71,766 (1992 £71,646), which the directors believe is a reasonable estimate of open market value at the balance sheet date.

Other leasehold property is stated at a 1989 valuation of £500,000. On a historic cost basis its cost, depreciation and net book value at the balance sheet date were £460,272, £25,660 and £434,612 (1992 £460,272, £19,246 and £441,026). The other assets are stated at cost.

Depreciation

Beginning of Year	20,905	252	26,742	52,125	100,024
For Year	20,905	397	8,960	33,007	49,332
Disposals	-	-	(2,990)	(14,047)	(17,037)
End of Year	<u>27,873</u>	<u>649</u>	<u>32,712</u>	<u>71,085</u>	<u>132,319</u>

Net Book Value

Beginning of Year	<u>550,741</u>	<u>3,722</u>	<u>76,495</u>	<u>126,219</u>	<u>757,177</u>
End of Year	<u>543,893</u>	<u>3,325</u>	<u>115,179</u>	<u>72,709</u>	<u>735,106</u>

7. INVESTMENTS HELD AS CURRENT ASSETS

	1993 £	1993 £
Shares in quoted companies	3,222	3,222
Shares in subsidiary companies	-	29,392
	<u>3,222</u>	<u>32,614</u>

The shares in subsidiary companies, which were held exclusively with a view to resale at 31st December 1992 and which were sold during the year, comprised the entire share capital of En-Tout-Cas p.l.c, Shoesave Limited and Cooper Ludlam (Sheffield) Limited.

8. DEFERRED TAXATION

	1993 £	1992 £
Corporation Tax at 33% in respect of -		
Potential Gains on Leasehold Property	52,460	56,775
Potential Gains on Investments	403,080	-
Accelerated Capital Allowances	(4,740)	5,360
Other Timing Differences	295	295
	<u>451,095</u>	<u>62,430</u>

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## CHASE MONTAGU LIMITED

## Notes on the Accounts for the year ended 31st December 1993

## 9. INVESTMENTS HELD AS FIXED ASSETS

	1993 £	1992 £
Classic Motor Cars & Paintings	1,936,410	2,162,220
40 "A" Ordinary Shares in Pomona Estates Ltd	—	40
Shares in subsidiary companies	468,693	—
Shares in Sheffield United F.C. p.l.c.	254,757	251,249
Shares & debentures in B.C. Holdings Limited	1,300,000	—
	<u>3,959,860</u>	<u>2,413,509</u>

Classic Motor Cars held by the company as lessee under the terms of finance leases had a net book value at the balance sheet date of £415,000 (1992 £415,000).

At the beginning of the year the shares in Pomona Estates Limited, a property development company registered in England and Wales, comprised the entire "A" share capital. According to its audited accounts made up to 30th April 1992, its issued capital comprised 100 ordinary shares but no profit or loss had been realised to that date, while work in progress was valued at £7,035,727. The remaining 60 shares in Pomona Estates Limited were acquired during the year. (See Note 16.)

The investment in Sheffield United Football Club Limited, a company registered in England and Wales, amounted to 15% of the fully paid £500 nominal value ordinary shares in the company.

During the year the company acquired 100% of the preference shares of B.C. Holdings Limited, a company incorporated in England and Wales. No financial statements have been prepared by B.C. Holdings Limited since its incorporation in September 1992, but on the basis of information available to date, the directors of Chase Montagu Limited believe that the preference shares have no net realisable value and so the shareholding has been written off and the debentures written down to the value the directors believe will be recoverable via a right of set-off available to Chase Montagu Limited.

## 10. SHARE CAPITAL

Authorised —		
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, Issued and Fully Paid —		
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

## 11. STATEMENT OF MOVEMENTS ON RESERVES

	Total £	Revaluation tion Reserve £	Profit & Loss Account £
At 1st January 1993	181,342	25,521	155,821
Retained Profit for the year	540,985	—	540,985
Amortisation of Revaluation Surplus	—	(554)	554
Transfer from Deferred Taxation	182	182	—
At 31st December 1993	<u>722,509</u>	<u>25,149</u>	<u>697,360</u>

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## CHASE MONTAGU LIMITED

## Notes on the Accounts for the year ended 31st December 1993

## 12. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1993 £	1992 £
is after charging -		
Directors' Emoluments for management services (including benefits in kind)		
The Chairman	418,750	377,346
Other Directors	53,679	39,836
who received remuneration within the scale		
1993 1992		
No. No.		
£10,001-£15,000	- 1	
£20,001-£25,000	1 -	
£25,001-£30,000	- 1	
£30,001-£35,000	1 -	
Pension Premiums	3,000	3,000
	<u>475,429</u>	<u>420,182</u>
Staff Costs of the following average numbers of persons employed (including directors) -		
1993 1992		
No. No.		
17 8		
Wages and Salaries	763,343	510,500
Social Security Costs	36,968	10,688
Other Pension Costs	3,000	3,000
	<u>803,311</u>	<u>524,188</u>
Amounts Written Off		
Investments	2,277,874	-
Auditors' Fees and Expenses	1,300	1,000
Bank and Other Short-Term Interest	30,351	45,772
Finance Lease Charges	29,800	35,634
Depreciation	49,332	49,714
and after crediting -		
Bank Interest Received	1,347	10,720
Income from Listed Investments	1,236	210
Rents	18	500
Surplus on Disposal of Fixed Assets	4,133	220,000
Surplus on Disposal of Investments	3,515,617	-

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## CHASE MONTAGU LIMITED

## Notes on the Accounts for the year ended 31st December 1993

13. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1993 £	1992 £
Corporation Tax/(Loss Relief)	(236)	-
Prior year adjustment	-	30,323
Tax Credits applicable to Franked Investment Income	236	52
Transfer to/(from) Deferred Taxation	388,847	(7,518)
	<u>388,847</u>	<u>22,857</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1993 £	1992 £
Retained Profit/(Loss) for the financial year	540,985	(169,224)
Deferred Tax Adjustment	182	182
Net Addition to/(Reduction in) Shareholders' Funds	541,167	(169,042)
Shareholders' Funds at beginning of year	181,442	350,484
Shareholders' Funds at end of year	<u>722,609</u>	<u>181,442</u>

15. CONTINGENCIES

On 11th June 1993 the company gave a guarantee to Lloyds Bank p.l.c. in respect of the obligations to the bank of Matchmaker Holdings Limited, a company which was at that date a subsidiary of Chase Montagu Limited. The company's interest in Matchmaker Holdings Limited was sold during the year to B.C. Holdings Limited (See Note 9) under an agreement whereby the purchaser agreed to indemnify Chase Montagu Limited against any claims arising out of the guarantee. At the balance sheet date the total liabilities of Matchmaker Holdings Limited to Lloyds Bank p.l.c. amounted to £134,643. Since the balance sheet date no claim has arisen as a result of the guarantee and the directors do not expect any to arise in the foreseeable future.

16. SUBSIDIARY COMPANIES

The subsidiary undertakings at the year end were Pomona Estates Limited and Allied Industrial Estates Limited, both of which were incorporated in England and Wales. At the balance sheet date the company owned the entire share capital of both subsidiaries except for one "A" share in Allied Industrial Estates Limited.

	Allied Industrial Estates Limited £	Pomona Estates Limited £
Profit for the financial year	<u>547,199</u>	<u>11,997</u>
Capital and Reserves at 31.12.1993.	<u>389,938</u>	<u>70,042</u>
Value of investment on equity basis at 31.12.1993.	<u>945,892</u>	<u>182,216</u>