

COMPCO
HOLDINGS PLC

1992

**REPORT &
FINANCIAL
STATEMENTS**



COMPANY NAME

REGISTRATION NO.

1992

COMPANY NAME

COMPANY NAME



Directors

D.M. PICKFORD, F.R.I.C.S. (Chairman)
R.A. NADLER, A.R.I.C.S. (Managing Director)
J.E. NADLER, B.Sc. (Est. Man.), A.R.I.C.S., A.S.V.A.
J.M. BUTTON

Executive Offices — 33 Cork Street, London W1X 1HB.

Secretary and Registrar

I.A.H. McPAKE, S.S C.
66 Queen Street, Edinburgh EH2 4NE.

Registered Office

66 Queen Street, Edinburgh EH2 4NE.

Registration Number

Registered in Scotland 37323

Bankers

BARCLAYS BANK PLC
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD.

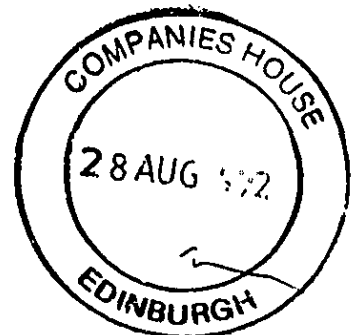
Stockbrokers

PARIBAS LTD.

Auditors

HAYS ALLAN

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In the year to 25th March 1992 the Group's net rental income from property rose by nearly 20% from £1,667,573 to £1,996,268. This increase was largely attributable to the successful conclusion of a number of rent reviews, details of which I refer to later.

Total costs for the Group fell from £1,499,922 to £1,408,286, this reduction being attributable both to lower administrative expenses as well as interest charges.

The properties held for development and re-sale have been written down by the Directors' following professional revaluations, which, after taking account of the profit achieved on the sale of development land at Erith, resulted in a loss on property trading of £444,391. Despite this loss the Group achieved a profit before tax of £171,257 compared with a loss last year of £693,997.

The Group's investment properties have been revalued by the Directors as at 25th March 1992 at £21,475,000 resulting in a net asset value of £15,901,940 (£7.69 per share), down from last year's figure of £23,477,211 (£11.35 per share). This reduction is broadly in line with current market trends which reflect the continuing depressed state of the property market.

In the light of this year's profit, the Directors recommend that the dividend be maintained at last year's level of 12.96p per share.

As mentioned previously,

the Group realised a profit on the sale of 1.89 acres of land at Erith and still retains a 50% interest in approximately two acres for future development or sale. During the year the remaining 50% of the Joint Venture freehold interest in The Clifton Antiques Market in Bristol was acquired. This property is currently being upgraded which should generate an improvement in cashflow. The Joint Venture development project in Exeter is being actively managed until such time as market conditions allow the implementation of the planning consent and during the year rental income has been increased by over 50%.

The Group's office development at Lower John Street was awarded a Civic Trust Commendation, one of only three awarded in the City of Westminster during the year. The marketing of this development and of the joint venture property in Whitehorse Street, W1 continues and I can report an increased level of enquiries from potential occupants.

Rent reviews were settled successfully at Seymour Mews House, W1 following the upgrading of the common parts, at Gresse Street, W1, at the Northern and Shell Building in Millharbour, E14 and at St John Street, EC1.

The year under review

has seen conditions for the property market continuing to deteriorate, although the decline in values would appear to be slowing down. Further rent reviews fall due during the current year which should give an improvement to the Group's net rental income. However a number of leases on Group properties expire over the coming years which could give rise to rental voids if market conditions fail to improve, though at the present time vacancy levels in the Group's properties remain low.

It is the Board's intention to continue its policy of effective management and to improve the portfolio and enhance the rental income whenever opportunities arise.



CHAIRMAN
9th June 1992

The Directors have pleasure in submitting to the Shareholders their Report and the Financial Statements of the Group for the year ended 25th March 1992 which were approved by them on the 9th June 1992.

The principal activity of the Group is Property Investment and Development.

The Group profit for the year after taxation was £110,257.

The Directors recommend a dividend for the year of £268,013 leaving an amount of £157,756 to be debited to Reserves. It is proposed that the dividend, 12.96p per share, be paid on the 1st October 1992 to shareholders whose names appear on the Register of Members at the close of business on the 3rd July 1992.

The Group's business of property investment and development continued during the year. A detailed review of the business is contained in the Chairman's Statement on page 2.

The principal changes in Fixed Assets during the year arose from an internal revaluation of the Group's Freehold and Leasehold Properties as at 25th March 1992 by the Directors. The deficit arising of £7,414,863 has been debited to Revaluation Reserve.

The Directors who served during the year and their interests in the Share Capital of the Company (all beneficially held) are shown below.

| | 9th June 1992 | 25th March 1992 | 25th March 1991 |
|---------------|------------------|--------------------|--------------------|
| D.M. Pickford | 18,000 | 18,000 | 18,000 |
| R.A. Nadler | 621,953 | 621,953 | 621,953 |
| J.E. Nadler | 375,952 | 375,952 | 375,952 |
| J.M. Button | 10,000 | 10,000 | 10,000 |

D.M. Pickford holds an option to subscribe for up to 75,000 shares at a price of £7.00 per share which expires on 10th July 1992.

R.A. Nadler retires by rotation at the Annual General Meeting and offers himself for re-election.

No Director had any interest at any time during the year in any contract of any significance in relation to the Company's business.

At 9th June 1992 the Company had been notified of the following substantial interests in its share capital:

| | |
|--|------------------|
| Rutero Corporation | 491,500 (23.77%) |
| Richard Charles Bailey and Alan John Adler | 369,109 (17.85%) |
| The Mactaggart Third Fund | 211,600 (10.23%) |
| Courtaulds Pensions Common Investment Fund | 210,000 (10.15%) |
| John Alexander Franks and Alan John Adler | 201,270 (9.73%) |
| Central and City Investments Limited | 72,201 (3.49%) |

The holding of Rutero Corporation is a holding in which R.A. Nadler is interested to the extent of 50% (245,750 shares). These shares are included in the figure of 621,953 mentioned previously.

The holding of Richard Charles Bailey and Alan John Adler is a holding in which J.E. Nadler is interested and is included in the figure of 375,952 mentioned previously.

At the Annual General Meeting a resolution will be proposed to authorise the Directors to disapply Section 89 of the Companies Act 1985 in allotting equity securities of the Company.

At last year's Annual General Meeting the Company was authorised to make market purchases of up to 14.99% of its issued share capital. The authority has not been used and expires at the conclusion of the next Annual General Meeting. An ordinary resolution will accordingly be proposed at the forthcoming Annual General Meeting, the effect of which will be to renew and extend the authority for a further year.

The Directors do not intend immediately to exercise the power to enable the Company to purchase its own shares and would do so only if they believed that the purchase would be in the best interest of the Company at that time.

The resolutions are set out in detail on page 20.

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

A resolution to re-appoint Hays Allan as auditors will be put to the Members at the Annual General Meeting.

66 Queen Street
Edinburgh EH2 4NE

9th June 1992


I.A.H. McPake

Secretary

| | Note | 1992 | | 1991 | |
|---|------|-----------|---|-----------|---|
| | | £ | £ | £ | £ |
| Net income from property | 2 | 1,996,268 | | 1,667,573 | |
| Loss on property trading | 3 | (444,391) | | (882,075) | |
| Interest receivable | | 20,470 | | 6,722 | |
| Management fees receivable | | 7,196 | | 13,705 | |
| | | 1,579,543 | | 805,925 | |
| Administrative expenses | 5 | 462,883 | | 491,552 | |
| Interest payable | 6 | 945,403 | | 1,008,370 | |
| | | 1,408,286 | | 1,499,922 | |
| Profit/(Loss) on ordinary activities before taxation | | 171,257 | | (693,997) | |
| Taxation (charge)/credit on profit/(loss) on ordinary activities | 7 | (61,000) | | 209,563 | |
| Profit/(Loss) on ordinary activities after taxation | | 110,257 | | (484,434) | |
| Proposed dividend | 8 | 268,013 | | 268,013 | |
| Loss for the year | | (157,756) | | (752,447) | |
| Earnings/(Loss) per share | 9 | 5.33p | | (23.43p) | |

Movements on reserves are shown in Note 17 to the accounts.

| | Note | 1992 | | 1991 | |
|--|-------|------------|---|------------|---|
| | | £ | £ | £ | £ |
| Tangible assets | 10(a) | 21,581,472 | | 28,765,657 | |
| Investments | 11(a) | 7,706 | | 206 | |
| | | 21,589,178 | | 28,765,863 | |
| Stocks | 12 | 1,938,233 | | 1,773,596 | |
| Debtors | 13 | 510,192 | | 494,382 | |
| Cash at bank and in hand | | 183,627 | | 117,032 | |
| | | 2,632,052 | | 2,385,010 | |
| Amounts falling due within one year | 14 | 6,969,290 | | 5,173,662 | |
| | | 4,337,238 | | 2,788,652 | |
| | | 17,251,940 | | 25,977,211 | |
| Amounts falling due after more than one year | 15 | 1,350,000 | | 2,500,000 | |
| | | 15,901,940 | | 23,477,211 | |
| Called up share capital | 16 | 413,600 | | 413,600 | |
| Share premium account | 17(a) | 135,400 | | 135,400 | |
| Revaluation reserve | 17(b) | 11,602,285 | | 19,019,800 | |
| Capital reserve | 17(c) | 1,932,272 | | 1,932,272 | |
| Profit and loss account | 17(d) | 1,818,383 | | 1,976,139 | |
| | | 15,901,940 | | 23,477,211 | |

Approved by the Board on 9th June 1992 and signed on their behalf by

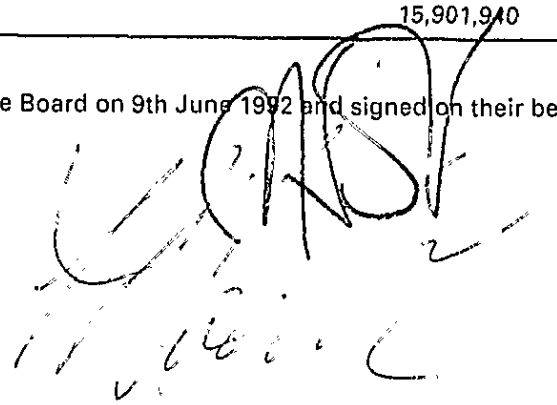
R.A. NADLER

J.E. NADLER

| | Note | 1991 | | 1990 | |
|---|-------|-----------|------------|-----------|------------|
| | | £ | £ | £ | £ |
| Tangible assets | 10(b) | | 106,472 | | 75,657 |
| Investments | 11(b) | | 12,936,448 | | 17,888,612 |
| | | | 13,042,920 | | 17,964,269 |
| Debtors | 13 | 8,208,675 | | 8,392,492 | |
| Cash at bank and in hand | | 1,980 | | 6,174 | |
| | | 8,210,655 | | 8,398,666 | |
| Amounts falling due within one year | 14 | 4,445,393 | | 2,835,968 | |
| | | | 3,765,262 | | 5,562,698 |
| | | | 16,808,182 | | 23,526,967 |
| Amounts falling due after more than one year | 15 | | 906,242 | | 2,500,000 |
| | | | 15,901,940 | | 21,026,967 |
| Called up share capital | 16 | | 413,600 | | 413,600 |
| Share premium account | 17(a) | | 135,400 | | 135,400 |
| Revaluation reserve | 17(b) | | 12,010,116 | | 16,969,277 |
| Capital reserve | 17(c) | | 3,296,086 | | 3,296,086 |
| Profit and loss account | 17(d) | | 46,738 | | 212,604 |
| | | | 15,901,940 | | 21,026,967 |

Approved by the Board on 9th June 1992 and signed on their behalf by

R.A. NADLER
J.E. NADLER



| | Note | 1992 | 1991 |
|--|------|-------------|-------------|
| | | £ | £ |
| | A | 1,239,656 | 1,329,393 |
| Interest received | | 20,470 | 6,722 |
| Interest paid | | (945,403) | (1,008,370) |
| Dividends paid | | (268,013) | (268,013) |
| | | (1,192,946) | (1,269,661) |
| | | 46,710 | 59,732 |
| Taxation: | | | |
| Corporation tax paid | | (100,006) | (565,765) |
| | | (53,296) | (506,033) |
| Purchase of investments | | 7,500 | — |
| Payments to associated companies | | 46,702 | 70,979 |
| Payments to acquire tangible fixed assets | | 264,051 | 1,181,580 |
| | | (318,253) | (1,252,559) |
| | | (371,549) | (1,758,592) |
| Net loans received | D | 1,372,197 | 287,613 |
| | C | 1,000,648 | (1,470,979) |

| | 1992 £ | 1991 £ |
|--|-----------|-----------|
| Profit/(Loss) on ordinary activities before taxation | 171,257 | (693,997) |
| Interest payable | 945,403 | 1,008,370 |
| Interest receivable | (20,470) | (6,722) |
| Operating profit | 1,096,190 | 307,651 |
| Depreciation and amortisation | 33,373 | 26,804 |
| (Increase)/Decrease in stocks | (164,637) | 482,420 |
| Decrease/(Increase) in debtors | 84,196 | (86,017) |
| Increase in creditors | 14,156 | 147,079 |
| Exchange difference | (2,652) | (6,550) |
| Increase in provision for losses of associated company | 179,030 | 458,006 |
| Net Cash Inflow from Operating Activities | 1,239,656 | 1,329,393 |

| | | |
|----------------------------|-------------|-------------|
| Balance at 26th March 1991 | (1,994,116) | 1,523,137 |
| Net cash Inflow/(Outflow) | 1,000,648 | (1,470,979) |
| Balance at 25th March 1992 | (993,468) | (1,994,116) |

| | 1992 £ | 1991 £ | Changes in year £ |
|--------------------------|-------------|-------------|-------------------------|
| Cash at bank and in hand | 183,627 | 117,032 | 66,595 |
| Bank overdrafts | (1,177,095) | (2,111,148) | 934,053 |
| | (993,468) | (1,994,116) | 1,000,648 |

| | | | |
|-------------------------------------|-----------|-----------|-------------|
| Loans due within one year | 4,376,646 | 1,854,449 | 2,522,197 |
| Loans due between one and two years | 1,350,000 | 2,500,000 | (1,150,000) |
| | 5,726,646 | 4,354,449 | 1,372,197 |

Basis of Preparation

The financial statements are prepared in accordance with applicable accounting standards on the historical cost basis, modified for the revaluation of investment properties and, in the case of the parent company for the revaluation of subsidiary companies.

The Group financial statements consolidate the financial statements of Compco Holdings PLC and its subsidiary companies made up to the 25th March in each year. An associated company is included in the consolidated accounts under the equity method. Previously the associated company was consolidated under the proportional consolidation method. Corresponding amounts have been adjusted to reflect this change in accounting policy.

A significant amount of the Group's property trading is conducted through joint ventures. The Group's share of joint venture assets, liabilities and losses are included in the consolidated accounts under the proportional consolidation method.

No separate profit and loss account is presented for Compco Holdings PLC as provided by section 230(4) Companies Act 1985.

Investment Properties

Investment properties are externally valued every five years. In the intervening years investment properties are valued by the directors on the basis of open market value. No amortisation is provided on freehold and long leasehold investment properties.

Depreciation

Depreciation is provided using the straight line method to write off the cost of tangible fixed assets other than investment properties over their estimated useful lives as follows:

Short leasehold property – over the period of the lease
Other fixed assets – 15% – 25% per annum.

Investments

Investments in subsidiary and associated companies are stated on the basis of the net asset value to the parent company. Other investments are included on the historical cost basis.

Financial charges

All financial charges including interest payable and arrangement fees are written off as incurred.

Properties held for development or resale

Properties held for development or resale are stated at the lower of cost and net realisable value.

Deferred Taxation

Provision is made for deferred taxation to the extent that a liability is expected to arise in the foreseeable future.

| | 1992 | 1991 |
|---|------------------|------------------|
| | £ | £ |
| Rents receivable – group | 2,093,453 | 1,799,688 |
| – associated company | 85,021 | 51,799 |
| | <u>2,178,474</u> | <u>1,851,487</u> |
| Less: Rents payable | (73,964) | (73,322) |
| Other property expenses | (108,242) | (110,592) |
| | <u>1,996,268</u> | <u>1,667,573</u> |
| Profit on joint venture developments | 175,417 | — |
| Less: Excess of cost over net realisable value in respect of developments in progress: | | |
| Own developments | (346,661) | — |
| Associated company | (128,623) | (535,442) |
| Other joint ventures | (144,524) | (346,633) |
| | <u>(444,391)</u> | <u>(882,075)</u> |
| Fees | 17,500 | 17,500 |
| Management services | 156,544 | 151,620 |
| | <u>174,044</u> | <u>169,120</u> |
| Emoluments of the Chairman | 10,000 | 10,000 |
| Emoluments of the highest paid director | 69,800 | 68,300 |

The directors received remuneration in the following bands:

| | | |
|---------------------------|---|---|
| £ 5,001 – £10,000 | 2 | 2 |
| £60,001 – £65,000 | — | 1 |
| £65,001 – £70,000 | 2 | 1 |

| | 1992 | 1991 |
|--|-----------------|------------------|
| | £ | £ |
| Staff Costs (including directors) | | |
| Salaries | 155,780 | 149,298 |
| Social security costs | 16,161 | 15,523 |
| Other pension costs | 20,473 | 20,070 |
| | <u>192,414</u> | <u>184,891</u> |
| Auditors remuneration | 31,720 | 28,320 |
| Depreciation and amortisation | 33,373 | 26,804 |
| Other expenses | 205,376 | 251,537 |
| | <u>462,883</u> | <u>491,552</u> |
| The average number of employees during the year was | 4 | 4 |
| On bank loans and overdrafts wholly repayable within five years | | |
| Group | 813,777 | 857,545 |
| Associated company | 131,626 | 150,825 |
| | <u>945,403</u> | <u>1,008,370</u> |
| The taxation (charge)/credit comprises: | | |
| Corporation tax at 33% based on the profit for the year | (61,000) | — |
| Benefit of losses carried back | — | 200,000 |
| Adjustment re prior years | — | 9,563 |
| | <u>(61,000)</u> | <u>209,563</u> |
| Proposed dividend at 12.96p per shares (1991 – 12.96p) | 268,013 | 268,013 |

The earnings/(loss) per share have been calculated on the profit on ordinary activities after taxation of £110,257 (1991 – Loss £484,434) and on 2,068,000 shares in issue throughout the year.

| | Investment Properties | | Short | Motor | Vehicles, |
|------------------------|-----------------------|----------------|-----------|---------------------|-------------|
| | Freehold | Long Leasehold | Leasehold | Fixtures & Fittings | Total |
| At 26th March 1991 | £ | £ | £ | £ | £ |
| At valuation | 15,840,000 | 12,850,000 | — | — | 28,690,000 |
| At cost | — | — | 19,252 | 151,640 | 170,892 |
| Additions at cost | 20,072 | 179,791 | — | 64,189 | 264,052 |
| Disposals | — | — | — | (15,563) | (15,563) |
| Deficit on revaluation | (4,435,072) | (2,979,791) | — | — | (7,414,863) |
| At 25th March 1992 | 11,425,000 | 10,050,000 | 19,252 | 200,266 | 21,694,518 |

| | | | | | |
|------------------------|---|---|-------|----------|----------|
| At 26th March 1991 | — | — | 5,502 | 89,733 | 95,235 |
| Charge for year | — | — | 1,832 | 31,541 | 33,373 |
| Eliminated on disposal | — | — | — | (15,562) | (15,562) |
| At 25th March 1992 | — | — | 7,334 | 105,712 | 113,046 |

| | | | | | |
|--------------------|------------|------------|--------|--------|------------|
| At 26th March 1991 | 15,840,000 | 12,850,000 | 13,750 | 61,907 | 28,765,657 |
| At 25th March 1992 | 11,425,000 | 10,050,000 | 11,918 | 94,554 | 21,581,472 |

The Group's investment properties were valued at 25th March 1992 by R.A. Nadler ARICS and J.E. Nadler BSc (Est Man) ARICS, ASVA, Directors of the Company on the basis of open market value

On the historical cost basis investment properties would have been included at

| | 1992 | | 1991 | |
|-----------------------------------|-------------|----------------|-----------|----------------|
| | Freehold | Long Leasehold | Freehold | Long Leasehold |
| | £ | £ | £ | £ |
| Cost | 6,773,517 | 6,773,517 | 6,638,575 | 6,638,575 |
| Provision for diminution in value | (1,430,430) | — | (777,358) | — |
| | 5,343,087 | 3,360,389 | 5,976,087 | 3,180,598 |

| | | | | | | Short Leasehold | Motor Vehicles, Fixtures & Fittings | Total |
|-----------------|---------------------------------|----|----|----|----|------------------------------|--|-------------------------|
| | | | | | | £ | £ | £ |
| | At 26th March 1991 | .. | .. | .. | .. | 19,252 | 151,640 | 170,892 |
| | Additions | .. | .. | .. | .. | — | 64,189 | 64,189 |
| | Disposals | .. | .. | .. | .. | — | (15,563) | (15,563) |
| | At 25th March 1992 | | | | | 19,252 | 200,266 | 219,518 |
| Depreciation | At 26th March 1991 | .. | .. | .. | .. | 5,502 | 89,733 | 95,235 |
| | Charge for year | .. | .. | .. | .. | 1,832 | 31,541 | 33,373 |
| | Eliminated on disposal | .. | .. | .. | .. | — | (15,562) | (15,562) |
| | At 25th March 1992 | | | | | 7,334 | 105,712 | 113,046 |
| Fixed Capital | At 26th March 1991 | .. | .. | .. | .. | 13,750 | 61,907 | 75,657 |
| | At 25th March 1992 | | | | | 11,918 | 94,554 | 106,472 |
| 10. Investments | | | | | | | | |
| | | | | | | Associated Company Shares | Advances | Unlisted Investments |
| | | | | | | £ | £ | £ |
| | At 26th March 1991 .. | .. | .. | .. | .. | 100,000 | 181,633 | 206 |
| | Advances in year | .. | .. | .. | .. | — | 46,702 | 7,500 |
| | At 25th March 1992 | | | | | 100,000 | 228,335 | 7,706 |
| | At 26th March 1991 .. | .. | .. | .. | .. | 534,795 | — | — |
| | Share of loss for year | .. | .. | .. | .. | 179,030 | — | — |
| | At 25th March 1992 .. | .. | .. | .. | .. | 713,825 | — | — |
| | Less transferred to creditors.. | .. | .. | .. | .. | (613,825) | 228,335 | — |
| | At 25th March 1992 | | | | | 100,000 | 228,335 | — |
| | At 26th March 1991 | .. | .. | .. | .. | — | — | 206 |
| | At 25th March 1992 | | | | | — | — | 7,706 |

| | Shares in subsidiary companies | Shares in associated companies | Unlisted Investment | Total |
|--------------------------------|--------------------------------|--------------------------------|---------------------|-------------|
| | £ | £ | £ | £ |
| At 26th March 1991 | 17,888,612 | — | — | 17,888,612 |
| Additions in year | — | — | 7,500 | 7,500 |
| Deficit on revaluation | (4,959,161) | — | — | (4,959,161) |
| Disposals | (503) | — | — | (503) |
| At 25th March 1992 | 12,928,948 | — | 7,500 | 12,936,448 |

On the historical cost basis investments would be included at:

| | | | | |
|---|-----------|-----------|-------|-----------|
| Cost | 969,338 | 100,000 | 7,500 | 1,076,838 |
| Provision for diminution in value | (397,278) | (100,000) | — | (497,278) |
| | 572,060 | — | 7,500 | 579,560 |

12 Stocks

| | 1992 | 1991 |
|---|-----------|-----------|
| | £ | £ |
| Properties held for development or resale | 1,938,233 | 1,773,596 |

| | 1992 Group | Company | 1991 Group | Company |
|--|------------|-----------|------------|-----------|
| | £ | £ | £ | £ |
| 13 Debtors | | | | |
| Amounts owed by subsidiary companies | — | 7,927,759 | — | 8,171,389 |
| Amounts owed by associated companies | — | 46,702 | — | — |
| Other debtors | 87,931 | 39,049 | 164,206 | 28,445 |
| Prepayments and accrued income | 6,489 | 5,156 | 14,410 | 2,650 |
| Taxation recoverable: | | | | |
| within one year | 311,543 | 175,019 | 226,428 | 100,670 |
| after more than one year.. .. | 104,229 | 14,990 | 89,338 | 89,338 |
| | 510,192 | 8,208,675 | 494,382 | 8,392,492 |

COMPTON

| | 1992 | | 1991 | |
|--|------------------|------------------|------------------|------------------|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Bank loans and overdrafts.. .. | 5,553,741 | 3,615,175 | 3,959,597 | 1,941,584 |
| Corporation tax | 61,000 | — | — | — |
| Advance corporation tax .. | 89,338 | — | 89,338 | 89,338 |
| Other taxation and social security | 6,977 | 6,977 | 5,788 | 5,788 |
| Other creditors | 251,139 | 25,301 | 220,076 | 11,443 |
| Amounts owed to subsidiary companies | — | 242,102 | — | 242,102 |
| Proposed dividend | 268,013 | 268,013 | 268,013 | 268,013 |
| Provision for losses of associated company | 385,490 | — | 253,162 | — |
| Accruals and deferred income | 353,592 | 287,825 | 377,688 | 277,700 |
| | <u>6,969,290</u> | <u>4,445,393</u> | <u>5,173,662</u> | <u>2,835,968</u> |

The bank overdrafts and loans are secured on certain investment properties and stocks. Rates of interest vary but in no case exceed 2% above the London Inter Bank Offer Rate.

| | 1992 | | 1991 | |
|-------------------|-----------|---------|-----------|-----------|
| | Group | Company | Group | Company |
| | £ | £ | £ | £ |
| Bank loan | 1,350,000 | 906,242 | 2,500,000 | 2,500,000 |

The bank loan is secured on certain investment properties and is repayable between one and two years of the balance sheet date.

| | 1992 | 1991 |
|---|-----------|-----------|
| | £ | £ |
| Authorised: | | |
| 5,000,000 Ordinary shares of 20p each | 1,000,000 | 1,000,000 |
| Allotted, issued and fully paid: | | |
| 2,068,000 Ordinary shares of 20p each | 413,600 | 413,600 |

At 25th March 1992 an option to subscribe for up to 75,000 ordinary shares at a price of £7 per share was outstanding. The option expires on 10th July 1992.

| | Group | Company |
|---|-------------|-------------|
| | £ | £ |
| Share premium account | | |
| At 25th March 1991 and 1992 | 135,400 | 135,400 |
| Revaluation reserve | | |
| At 26th March 1991 | 19,019,800 | 16,969,277 |
| Deficit on revaluation of investment properties | (7,414,863) | — |
| Deficit on revaluation of investments | — | (4,959,161) |
| Exchange adjustments | (2,652) | — |
| | 11,602,285 | 12,010,116 |
| Capital reserve | | |
| At 25th March 1991 and 1992 | 1,932,272 | 3,296,086 |
| Profit and Loss Account | | |
| At 26th March 1991 | 1,976,139 | 212,604 |
| Retained (loss)/profit for year | (157,756) | (165,866) |
| | 1,818,383 | 46,738 |
| Distributable reserves | 1,818,383 | 46,738 |
| Non-distributable reserves | 13,669,957 | 15,441,602 |
| | 15,448,340 | 15,448,380 |

Deferred taxation

No net liability to corporation tax would arise if the Group's investment properties were to be disposed of at the value incorporated in the accounts.

Guarantees

The company has guaranteed the borrowings of a subsidiary company to a maximum of £1,312,500 and of the associated company to a maximum of £500,000.

The Group has interests in joint ventures which are jointly managed and are engaged in property development as follows:

| Location | Group Interest |
|--|----------------|
| Erith, Belvedere, Kent | 50% |
| Whitehorse Street, Mayfair, London, W1 | 50% |

Subsidiary Companies

The principal subsidiary companies all of which are wholly owned are:

| | Country of registration (or incorporation) and operation | Nature of business |
|-------------------------------|--|----------------------|
| Seymour Development Limited | England | Property Investment |
| Terrington Properties Limited | England | Property Investment |
| Esjohn Properties Limited | England | Property Investment |
| Leowell Limited | England | Property Development |
| Compco Holdings Corporation | USA | Holding Company |

Subsidiary undertaking of Compco Holdings Corporation:

| | | |
|-------------------------|-----|----------------------|
| Compco Colorado Limited | USA | Property Development |
|-------------------------|-----|----------------------|

Investments

The Company holds 100,000 'B' Ordinary Shares of £1 each in Gandy Street Properties Limited a company registered and operating in England. This represents 50% of the issued Ordinary Share capital of that company.

We have audited the accounts set out on pages 5 to 18 in accordance with auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs of the Company and the Group at 25th March 1992 and of the results and cash flows of the Group for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.

HAYS ALLAN *Hays Allan*
Chartered Accountants
Registered Auditor

Southampton House,
317 High Holborn,
London WC1V 7NL.

9th June 1992

(COMP)

NOTICE IS HEREBY GIVEN that the THIRTIETH ANNUAL GENERAL MEETING of the Company will be held at 33 Cork Street, London W1X 1HB on 23rd July 1992 at 12.00 noon for the following purposes:—

1. To receive and adopt the Directors' Report and Financial Statements for the year ended 25th March 1992.
2. To declare a Dividend.
3. To re-appoint as a Director, R.A. Nadler.
4. To re-appoint the Auditors, Hays Allan.
5. To authorise the Board to fix the remuneration of the Auditors.

SPECIAL BUSINESS

To consider and if thought fit pass the following Resolutions.

SPECIAL RESOLUTION

6. That during the period from the date of the passing of this resolution until the conclusion of the next Annual General Meeting of the Company, or if earlier, 23rd October 1993, the Directors be empowered to allot equity securities of the Company (pursuant to the authority referred to in resolution 6 passed at the Twenty Eighth Annual General Meeting of the Company) as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment;
 - (a) such power shall permit or enable the Directors to make an offer or agreement, before the expiry of such power, which would or might require equity securities to be allotted after such expiry;
 - (b) words or expressions defined in or for the purposes of Part IV of the Companies Act 1985 shall bear the same meanings in this Resolution.

ORDINARY RESOLUTION

7. That authority is hereby generally unconditionally given, pursuant to section 166 of the Companies Act 1985, for the Company to make market purchases (as defined in section 163(3) of the Companies Act 1985) of any of its own Ordinary Shares of 20p each in such manner and on such terms as the Directors may from time to time determine provided that:—
 - (a) the authority hereby given shall, unless previously varied, revoked or renewed, expire at the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution, so that the Company shall be entitled under such authority to make at any time before the expiry thereof any contract of purchase of its own Ordinary Shares which will or might be concluded wholly or partly after the expiry of such authority;
 - (b) the maximum number of Ordinary Shares hereby authorised to be acquired is 310,000 Ordinary Shares, representing 14.99% of the issued share capital; and
 - (c) the maximum price which may be paid for each Ordinary Share of 20p each is an amount equal to 105% of the average of the middle market quotations for the Ordinary Shares of the Company derived from The London Stock Exchange Daily Official List for the ten business days prior to the date of purchase and the minimum price is 20p, such prices being exclusive of Advance Corporation Tax, if any, payable by the Company.

66 Queen Street
Edinburgh, EH2 4NE
9th June 1992

By Order of the Board
I.A.H. McPake
Secretary

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote for him. A proxy need not be a member of the Company. Forms of proxy are required to be deposited at the Registered Office of the Company not later than forty-eight hours prior to the Meeting.
2. No Director of the Company has a service agreement with the Company or any of its subsidiaries which cannot be terminated on less than 12 months' notice.