

COMPCO
HOLDINGS PLC

1990

**REPORT &
FINANCIAL
STATEMENTS**

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.

Bankers

BARCLAYS BANK PLC
AUSTRALIA & NEW ZEALAND BANKING GROUP LTD.

Stockbrokers

PARIBAS LTD.

Auditors

HAYS ALLAN

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Notice of Meeting

NOTICE IS HEREBY GIVEN that the TWENTY-EIGHTH ANNUAL GENERAL MEETING of the Company will be held at 33 Cork Street, London W1X 1HB on 5th September 1990 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 1990.
2. To declare a Dividend.
3. To re-appoint as a Director, J.M. Button.
4. To re-appoint the Auditors, Hays Allan.
5. To authorise the Board to fix the remuneration of the Auditors.

To consider, and if thought fit, pass the following resolutions numbered 6 and 8 which will be proposed as ORDINARY RESOLUTIONS, and the following resolution numbered 7 which will be proposed as a SPECIAL RESOLUTION.

6. That the Directors be generally and unconditionally authorised pursuant to Section 80 of the Companies Act 1985 to allot relevant securities of the Company up to the amount of the authorised but unissued Share Capital of the Company (2,932,000 Ordinary Shares of 20p) for the time being provided that:—
 - (a) subject as provided in paragraph (b) of this Resolution, the authority shall expire on the expiration of five years from the date hereof but may be previously revoked or varied by an Ordinary Resolution of the Company;
 - (b) such authority shall permit and enable the Directors to make an offer or agreement before the expiry of such authority which would or might require relevant securities to be allotted after such expiry;
 - (c) words or expressions defined in or for the purpose of Part IV of the Companies Act 1985 shall bear the same meanings in this Resolution.
7. That:—
 - (a) the Directors be empowered to allot equity securities of the Company (pursuant to the authority referred to in resolution 6 passed at the twenty-third annual general meeting of the Company) as if Section 89(1) of the Companies Act 1985 did not apply to any such allotment;
 - (b) 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;
 - (c) 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.
8. 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 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.

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

66 Queen Street
Edinburgh, EH2 4NE
11th August 1990

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 no 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.

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and its subsidiaries





D.M. Rickford
Chairman

Finance

The results for the year to 25th March 1990 show a slight increase in the profit on ordinary activities before tax compared with last year. Whilst the first half year's figures reflected the substantial trading profit achieved during that period, as anticipated, the second half of this year has been marked by a considerable slowdown in trading activity to give a final pre-tax profit of £1,321,588. This compares favourably with the previous year's figure of £1,236,185.

Interest payable increased substantially in the second half of the year, mainly due to the increased expenditure on the Joint Ventures. No interest has been capitalised on any of the Group's activities, including the Joint Ventures.

The net asset value for the Group has risen to £29,853,176 from £26,084,397 following the first external professional re-valuation since 1986, an increase of over 14% over the 1989 figure. This gives a net asset value per share of £14.43p (1989—£12.61p per share). Whilst this is encouraging it is the view of your Directors that the property investment market has weakened further since the valuation date of 25th March 1990 and the scope therefore for further growth during the current year is limited.

The Directors are pleased to recommend that the dividend be increased once again by 20% to 12.96p per share (1989—10.8p per share). This dividend is covered more than three times by earnings per ordinary share of 42.37 pence (1989—39.03 pence).

Property

During the year under review, the Company was involved in a number of trading transactions, which were outlined in the Interim Report for the six months to the 29th September 1989. These included the sale of industrial land in Belvedere, Kent, the purchase as a Joint Venture of a freehold property in Mayfair, the sale of a further office unit and the successful letting of the final unit in the Group's development at Godalming.

During the second half of the year the Group has progressed its development and refurbishment proposals for the Mayfair property, as well as the properties in Exeter and Clifton, all three of which are being undertaken as Joint Ventures. Additionally, the Group purchased the remaining 50% interest in the site owned in Denver, Colorado, USA, from our original partners at a figure reflecting the written down value at which our 50% is held. Your Directors feel that with the greater control that we now have, the site provides interesting future potential whilst currently being income producing.

As forecast in the Interim Statement, in view of the present uncertain market conditions no further investment purchases have been made.

Prospects

Rent reviews continue to be negotiated successfully producing an increase in net rental income and the rent reviews falling due during the current year will enhance further our rental income. The Group presently benefits from a very low vacancy rate in its property portfolio and it is our intention to continue our policy of upgrading the Group's properties to maintain this position and where possible improve on the prospects for rental growth in the future.

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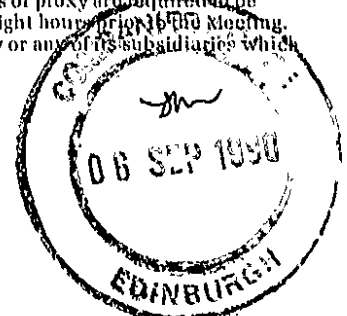
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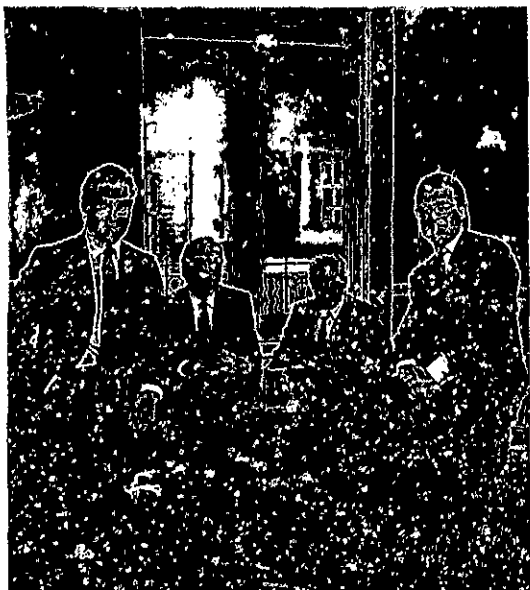
By Order of the Board
I.A.H. McPake
Secretary

66 Queen Street
Edinburgh, EH2 4NE
11th August 1990

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1
and its subsidiaries





From left:
R.A. Nadler, D.M. Pickford,
J.M. Bulton, J.E. Nadler

The Directors have pleasure in submitting to the Shareholders their Report and the Financial Statements of the Group for the year ended 25th March 1990 which were approved by them on the 2nd August 1990.

ACTIVITIES

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

RESULTS AND DIVIDENDS

The Group profit for the year after taxation was £876,222.

The Directors recommend a dividend for the year of £268.013 leaving retained profits of £608,209 to be credited to Reserves. It is proposed that the dividend be paid on the 1st October 1990 to shareholders whose names appear on the Register of Members at the close of business on the 24th August 1990.

REVIEW OF THE BUSINESS

The Group's business of property investment and development continued successfully during the year.

FIXED ASSETS

The principal changes in Fixed Assets during the year arose from an external revaluation of the Group's Freehold and Leasehold Properties as at 25th March 1990 by Richard Ellis, Chartered Surveyors. The surplus arising of £3,148,437 has been credited to Revaluation Reserve.

EVENTS SINCE THE END OF THE YEAR AND FUTURE DEVELOPMENTS

Following the year end the Group has continued to progress the joint venture developments at Whitehorse Street, London W1 and Queen Street, Exeter. In addition construction work is continuing on the office and retail development at Lower John Street, London W1, which is scheduled for completion later in the year.

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

	3rd August 1990	25th March 1990	26th March 1989
D.M. Pickford	18,000	18,000	18,000
R.A. Nadler	621,953	376,203	376,203
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 exercisable between July 1990 and July 1992.

J.M. Button retires by rotation at the Annual General Meeting and offers himself for re-election.

At 3rd August 1990 the Company had been notified of the following substantial interests in its share capital:

Rutero Corporation	491,500 Shares (23.77%)
Richard Charles Bailey and Alan John Adler	372,329 Shares (18.00%)
Courtaulds Pensions Common Investment Fund	210,000 Shares (10.15%)
John Alexander Franks and Alan John Adler	201,270 Shares (9.73%)
Trustees of the MacLaggart Third Fund	125,000 Shares (6.04%)
Western Heritable Investment Company Limited	86,600 Shares (4.19%)
Central and City Investments Limited	72,500 Shares (3.51%)

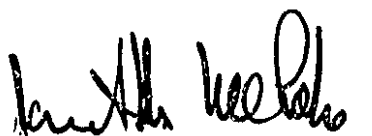
The holding of Rutero Corporation is a holding in which R.A. Nadler is interested to the extent of 50% (245,750 shares). These shares are included in the figure of 621,953 mentioned previously.

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.

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

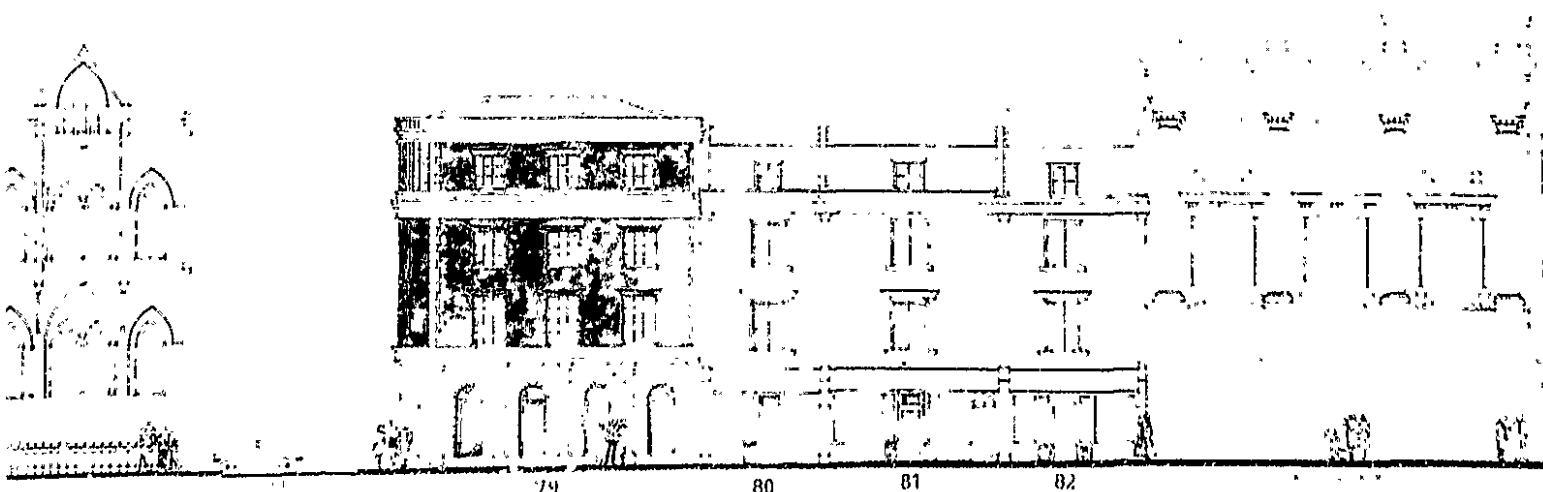
A resolution to re-appoint Hays Allen as auditors will be put to the Members at the Annual General Meeting.

L.A.H. McPake
Secretary



66 Queen Street
Edinburgh EH2 4NE
10th August 1990

Proposed redevelopment, Queen Street, Exeter



	Note	1990	1989
		£	£
Net income from property	2	1,539,706	1,382,033
Profit on property trading	3	733,216	570,916
Interest receivable		82,930	26,611
Management fees receivable		—	56,995
		<u>2,355,852</u>	<u>2,036,555</u>
Directors' emoluments	4	144,055	109,531
Administrative expenses	5	311,280	263,631
Interest payable	6	<u>578,929</u>	<u>427,208</u>
		<u>1,034,264</u>	<u>800,370</u>
Profit on ordinary activities before taxation		1,321,588	1,236,185
Taxation	7	<u>445,366</u>	<u>429,061</u>
Profit on ordinary activities before extraordinary items		876,222	807,124
Extraordinary items		<u>—</u>	<u>239,636</u>
		<u>876,222</u>	<u>1,046,760</u>
Transfer to capital reserve		<u>—</u>	<u>239,636</u>
		<u>876,222</u>	<u>807,124</u>
Proposed dividend	8	<u>268,013</u>	<u>223,344</u>
Retained profit for the year		<u>608,209</u>	<u>583,780</u>
Earnings per ordinary share	9	<u>42.37p</u>	<u>39.03p</u>

Movements in reserves are detailed in Note 18.

	Note	1990	1989
		£	£
Fixed Assets			
Tangible assets	10(a)	33,227,849	28,783,952
Investments	11(a)	206	—
		<u>33,228,055</u>	<u>28,783,952</u>
Current Assets			
Property in course of development	12	3,291,727	1,358,078
Advances in respect of properties	13	11,289	248,276
Debtors	14	203,755	1,084,480
Cash at bank and in hand		106,976	50,397
		<u>3,621,747</u>	<u>2,741,231</u>
Creditors			
Amounts falling due within one year	15	<u>2,046,290</u>	<u>2,940,786</u>
Net Current Assets (liabilities)		<u>1,575,457</u>	<u>(199,555)</u>
Total Assets Less Current Liabilities		<u>34,803,512</u>	<u>28,584,397</u>
Creditors			
Amounts falling due after more than one year	16	<u>4,950,336</u>	<u>2,500,000</u>
Net Assets		<u>29,853,176</u>	<u>26,084,397</u>
Capital and Reserves			
Called up share capital	17	413,600	413,600
Share premium account	18	135,400	135,400
Revaluation reserve	18	24,643,318	21,482,748
Capital reserve	18	1,932,272	1,932,272
Profit and loss account	18	2,728,586	2,120,377
		<u>29,853,176</u>	<u>26,084,397</u>

Signed for and on behalf of the Board

Superior
MSL

D. M. PICKFORD
R. A. NADLER

} Directors

Parent Company Balance Sheet
as at 31st March 1990

	Note	1990	1989
		£	£
Fixed Assets			
Tangible assets	10(b)	100,153	33,952
Investments	11(b)	<u>25,360,207</u>	<u>22,072,584</u>
		25,460,360	22,156,536
Current Assets			
Debtors	14	5,287,843	6,652,195
Cash at bank and in hand		<u>7,149</u>	<u>3,774</u>
		5,294,992	6,655,969
Creditors			
Amounts falling due within one year	15	<u>1,474,054</u>	<u>2,710,791</u>
Net Current Assets		<u>3,820,938</u>	<u>3,945,178</u>
Total Assets Less Current Liabilities		29,281,298	26,101,714
Creditors			
Amounts falling due after more than one year	16	<u>2,500,000</u>	<u>2,500,000</u>
Net Assets		<u>26,781,298</u>	<u>23,601,714</u>
Capital and Reserves			
Called up share capital	17	413,600	413,600
Share premium account	18	135,400	135,400
Revaluation reserve	18	24,340,872	21,161,876
Capital reserve	18	1,868,158	1,868,158
Profit and loss account	18	<u>23,268</u>	<u>22,680</u>
		26,781,298	23,601,714

Signed for and on behalf of the Board

Handwritten signature

D. M. PICKFORD
R. A. NADLER

} Directors

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**Statement of Source and Application of Funds
for the year ended 23th March 1990**

		1990	1989
		£	£
Source of funds	Profit before taxation and extraordinary item	1,321,588	1,236,185
	Exchange adjustment	12,133	17,635
	Depreciation	27,214	17,503
	Profit on sale of fixed assets	—	(12,999)
	Sale of investment	—	178,427
	Sale of fixed assets	—	13,000
		<u>1,360,935</u>	<u>1,449,751</u>
Application of funds	Taxation	688,950	233,937
	Purchase of fixed assets	1,322,674	701,610
	Dividend paid	223,344	186,120
	Purchase of investment	206	—
		<u>2,235,174</u>	<u>1,121,667</u>
		<u>(874,239)</u>	<u>328,084</u>
Movement in working capital	(Decrease)/Increase in advances in respect of properties	(233,987)	133,987
	Increase/(Decrease) in property in course of development	1,933,649	(388,138)
	Decrease in debtors	(875,725)	(1,103,439)
	Decrease in creditors	39,602	35,664
		<u>863,539</u>	<u>(1,321,926)</u>
Movement in net liquid funds	Representing Net (Increase)/Decrease in bank borrowing	(1,737,778)	1,650,010
		<u>(874,239)</u>	<u>328,084</u>

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HOLDINGS PLC

1. Accounting Policies **Accounting Convention**

The financial statements are prepared under the historical cost convention, modified to include the revaluation of freehold and leasehold land and buildings and, in the case of the parent company, investments in subsidiary companies.

Basis of Consolidation

The Group financial statements consolidate the financial statements of Compco Holdings PLC and its subsidiaries made up to the 25th March in each year. A significant amount of the Group's property trading is conducted through joint ventures and is accounted for by the proportionate consolidation method.

A separate profit and loss account dealing with the results of the company only has not been presented. The profit of the company after tax consolidated in the financial statements is £268,601 (1989: £224,096).

Depreciation

No depreciation or amortisation is provided in respect of freehold investment properties or leasehold investment properties which are held on long leases as defined in the Companies Act 1985.

Depreciation is charged on other assets on a straight line basis calculated to write off the cost of the assets in equal instalments over the estimated useful life of the assets, using the following annual rates:

Motor vehicles	25%
Fixtures and fittings	15% - 20%
Short leasehold	over the period of the lease

Advances in respect of properties

Advances in respect of properties are stated at the lower of cost and net realisable value.

Deferred Taxation

Provision is made for deferred taxation only where there is a reasonable probability of a liability arising in the foreseeable future.

Foreign Currencies

Assets and liabilities in overseas currencies, and the balance sheets of overseas subsidiaries are translated into sterling at rates ruling at the balance sheet date. Profit and loss accounts of overseas subsidiaries are translated into sterling at average rates for the year.

Profits and losses on exchange are written off to Profit and Loss Account in the period in which they are incurred, except that significant exchange differences arising from translation of the net investment in the United States subsidiaries are taken direct to reserves.

Notes to the Financial Statements
for the year ended 31st March 1990

2. Net Income from Property		1990	1989
		£	£
Rents receivable	.. .. .	1,860,229	1,746,213
Less: Rents payable	.. .. .	(239,722)	(290,226)
Other property expenses	.. .. .	(80,801)	(73,954)
		<u>1,539,706</u>	<u>1,382,033</u>
3. Profit on Property Trading			
Profit on own developments	.. .. .	70,193	516,355
Profit on joint venture developments	.. .. .	1,241,811	54,561
		<u>1,312,004</u>	<u>570,916</u>
Less: Excess of cost over net realisable value in respect of joint venture developments in progress	.. .. .	578,788	—
		<u>733,216</u>	<u>570,916</u>
4. Directors' Emoluments			
Fees	.. .. .	17,500	17,500
Management services	.. .. .	126,555	92,031
		<u>144,055</u>	<u>109,531</u>
Emoluments of the Chairman:	.. .. .	<u>10,000</u>	<u>10,000</u>
Emoluments of the highest paid director:	.. .. .	<u>65,814</u>	<u>47,098</u>
The directors received remuneration in the following bands			
£ 5,001 – £10,000	.. .. .	2	2
£40,001 – £45,000	.. .. .	—	1
£45,001 – £50,000	.. .. .	—	1
£60,001 – £65,000	.. .. .	1	—
£65,001 – £70,000	.. .. .	1	—

Notes to the Financial Statements
for the year ended 23th March 1990

		1990	1989
5. Administrative expenses			
	Staff costs:	£	£
	Salaries	30,104	26,712
	Social security costs	12,198	10,102
	Audit fees	37,120	18,939
	Profit on sale of fixed asset	—	(12,999)
	Depreciation and amortisation	27,214	17,503
	Other expenses	204,644	203,374
		<u>311,280</u>	<u>263,631</u>
	The average number of employees during the year was:		
	Secretarial and administration	<u>2</u>	<u>2</u>
6 Interest payable	On bank loans and overdrafts wholly repayable within five years	<u>578,929</u>	<u>427,208</u>
7. Taxation	The charge for taxation is made up as follows:		
	Corporation tax at 35%	473,800	429,870
	Adjustment in respect of previous years	(28,434)	(809)
		<u>445,366</u>	<u>429,061</u>
8. Proposed Dividend	Proposed dividend of 12.96p per share (1989 — 10.8p) ..	<u>268,013</u>	<u>223,344</u>
9. Earnings Per Share	Earnings per share have been calculated on the profit on ordinary activities after taxation of £376,222 (1989 — £807,124) and on 2,068,000 shares.		

Notes to the Financial Statements
for the year ended 25th March 1990

10. Tangible Fixed Assets

	Freehold	Long Leasehold	Short Leasehold	Motor Vehicles, fixtures & fittings	Total
(a) Group					
At 26th March 1989	£	£	£	£	£
At valuation	14,500,000	14,200,000	—	—	28,700,000
At cost	—	—	19,252	105,917	125,169
Additions at cost	1,279,259	—	—	43,415	1,322,674
Surplus on revaluation	2,218,437	930,000	—	—	3,148,437
At 25th March 1990	17,997,696	15,130,000	19,252	149,332	33,296,280
Depreciation					
At 26th March 1989	—	—	1,834	39,383	41,217
Charge for year	—	—	1,834	25,380	27,214
At 25th March 1990	—	—	3,668	64,763	68,431
Net Book Values					
At 26th March 1989	14,500,000	14,200,000	17,418	66,534	28,783,952
At 25th March 1990	17,997,696	15,130,000	15,584	84,569	33,227,849

The cost of properties incorporated in these accounts at valuation was:

	1990 £	1989 £
Freehold properties	5,592,041	4,312,782
Long leasehold properties	3,050,401	3,050,401
	<u>8,642,442</u>	<u>7,363,183</u>

The Group's freehold and long leasehold properties were revalued as at 25th March 1990 by Richard Ellis, Chartered Surveyors, on the basis of open market value.

10 Tangible Fixed Assets

						Short Leasehold	Motor vehicles, fixtures & fittings	Total
						£	£	£
(b) Company Cost	At 26th March 1989	..	..	..	..	19,252	105,917	125,169
	Additions	..	..	..	..	—	43,415	43,415
	At 25th March 1990	..	..	..	..	19,252	149,332	168,584
Depreciation	At 26th March 1989	..	..	..	..	1,834	39,383	41,217
	Charge for year	..	..	..	..	1,834	25,380	27,214
	At 25th March 1990	..	..	..	..	3,668	64,763	68,431
Net Book Values	At 26th March 1989	..	..	..	..	17,418	66,534	83,952
	At 25th March 1990	..	..	..	..	15,584	84,569	100,153

11. Investments
 (a) Group

								Unlisted Investment £
	At 26th March 1989 at cost	..	..	..	..	..	..	—
	Acquired during the year	..	..	..	..	..	..	206
	At 25th March 1990	..	..	..	..	..	..	206

(b) Company

						Subsidiaries £	Unlisted Investment £	Total £
At 26th March 1989	Cost	..	..	..	..	961,213	—	961,213
	Surplus on revaluation	..	..	..	..	21,111,371	—	21,111,371
						22,072,584	—	22,072,584
Movements during the year								
	Acquired at cost	..	..	..	..	8,627	100,000	108,627
	Surplus on revaluation	..	..	..	..	3,178,996	—	3,178,996
At 25th March 1990	Cost	..	..	..	..	969,840	100,000	1,069,840
	Surplus on revaluation	..	..	..	..	24,290,367	—	24,290,367
						25,260,207	100,000	25,360,207

The unlisted investment is in Gandy Street Properties Ltd., a joint venture company registered in England, in which the Company holds 100,000 ordinary 'B' shares of £1 each representing 50% of the issued share capital. In the Group financial statements this investment is dealt with under the proportionate consolidation method.

12 Property in course of development

Included in property in course of development is the figure of £2,786,287 representing the Group's 50% interest in joint ventures.

13 Advances in respect of properties

	1990 £	1989 £
United Kingdom	—	133,987
France	14,289	14,289
United States of America	—	100,000
	<u>14,289</u>	<u>248,276</u>

United Kingdom

The amount of £133,987 represented the share of deposits and legal costs of a property transferred during the year to property in course of development.

France

The amount of £14,289 represents the residual value of property developed in France.

United States of America

The amount of £100,000 represented an advance to a partnership in the United States of America, which held property in Denver, Colorado, in which the Group had a 50% interest. The company holding the balance of the interest was acquired by the Group during the year and the amount of £100,000 is now included as property in course of development.

14 Debtors

	1990		1989	
	Group £	Company £	Group £	Company £
Amounts owed by Group				
Companies	—	4,770,920	—	6,361,792
Other debtors	99,398	736	922,907	80,462
Prepayments and accrued income	20,019	1,602	87,125	—
Taxation recoverable	—	425,247	—	135,493
	<u>119,417</u>	<u>5,198,505</u>	<u>1,010,032</u>	<u>6,577,747</u>
Amount due after one year				
Advance corporation tax recoverable	89,338	89,338	74,448	74,448
	<u>208,755</u>	<u>5,287,843</u>	<u>1,084,480</u>	<u>6,652,195</u>

COMPCO

1990-1991

1990-1991

1990-1991

Notes to the Financial Statements
for the year ended 25th March 1990

15. Creditors: Amounts falling due within one year	1990		1989	
	Group £	Company £	Group £	Company £
Bank loans and overdrafts	623,971	623,971	1,279,950	1,279,950
Corporation tax	530,900	—	774,484	—
Advance corporation tax	89,338	89,338	74,448	74,448
Other taxation and social security	11,899	6,119	11,850	4,358
Other creditors	114,607	2,749	65,936	4,923
Amounts owed to Group				
Companies	—	297,743	—	819,417
Proposed dividend	268,013	268,013	223,344	223,344
Accruals and deferred income	407,562	186,121	510,774	304,351
	<u>2,046,290</u>	<u>1,474,054</u>	<u>2,940,786</u>	<u>2,710,791</u>

The bank overdrafts are secured on certain of the Group's freehold and leasehold properties.

16. Creditors: Amounts falling due after more than one year	1990		1989	
	Group £	Company £	Group £	Company £
Bank loans	<u>4,950,336</u>	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>

A bank loan of £2,500,000 is secured on one of the Group's freehold properties. Further bank loans of £2,450,336 (relating to the Group's 50% interest) are secured on properties being developed in joint ventures. All bank loans are repayable between 1-2 years. Rates of interest vary, but in no case exceed 2% above the London Inter Bank Offer Rate.

17. Share Capital		1990 £	1989 £
(a) Authorised:			
5,000,000 Ordinary shares of 20p each		<u>1,000,000</u>	<u>1,000,000</u>
(b) Allotted, issued and fully paid:			
2,068,000 Ordinary shares of 20p each		<u>413,600</u>	<u>413,600</u>
(c) At 25th March 1990 an option to subscribe for up to 75,000 shares of 20p each at a price of £7 per share exercisable between July 1990 and July 1992 was outstanding.			

18. Reserves

						Group £	Company £
Share premium account							
Balance at 26th March 1989 and 25th March 1990	..	..				<u>135,400</u>	<u>135,400</u>
Revaluation reserve							
Balance as at 26th March 1989	..	..	..	..	..	21,482,748	21,161,876
Surplus arising on:							
Revaluation of investments	..	..	..	..	..	—	3,178,996
Revaluation of properties	..	..	..	..	..	3,148,437	
Exchange adjustments	..	..	..	..	..	12,133	—
Balance as at 25th March 1990	..	..	..	..	..	<u>24,643,318</u>	<u>24,340,872</u>
Capital Reserve							
Balance at 26th March 1989 and 25th March 1990	..	..				<u>1,932,272</u>	<u>1,868,158</u>
Profit and Loss Account							
Balance at 26th March 1989	..	..	..	..	..	2,120,377	22,680
Retained profit for year	..	..	..	..	..	608,209	588
Balance at 25th March 1990	..	..	..	..	..	<u>2,728,586</u>	<u>23,268</u>
Distributable reserves							
Non-distributable reserves	..	..	..	..	..	<u>26,710,990</u>	<u>26,344,430</u>
						<u>29,439,576</u>	<u>26,367,698</u>

19. Directors' Interests During the year no Director had any interest in any transaction or arrangement requiring disclosure under Section 232 of the Companies Act 1985.

20. Contingent Liabilities No provision has been made for any corporation tax liabilities which may arise on the disposal of any Group property at the valuations incorporated in the financial statements. The potential liability to such taxation is estimated to be £4,700,000 (1989: £4,100,000).

21. Capital Commitments	Authorised but not contracted for										Group £	Company £
	1990	..	..	..	..	..	..	..	..	..	—	—
	1989	..	..	..	..	..	..	..	..	..	—	—
	Contracted for but not provided										Group £	Company £
	1990	..	..	..	..	..	..	..	..	..	750,000	—
	1989	..	..	..	..	..	..	..	..	..	—	—

22. **Subsidiary Companies** The principal subsidiary companies, all of which are wholly owned are:

Subsidiaries of Compco Holdings PLC:	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
Comontose Limited	England	Property Investment
J. Forman & Sons (Salmon Curers) Limited	England	Property Investment
Ortonwood Limited (operating in France)	England	Property Development
Leowell Limited	England	Property Development
Quotetrip Limited	England	Property Development
Wingleague Limited	England	Property Development
Compco Holdings Corporation	USA	Holding Company
*Westminster Holdings Corporation	USA	Holding Company
Subsidiary of Compco Holdings Corporation:		
Compco Colorado Limited	USA	Property Development
Subsidiary of Westminster Holdings Corporation:		
Westminster & Colorado Properties Ltd	USA	Property Development
*Westminster Holdings Corporation merged with Compco Holdings Corporation on 6th June 1990.		

I/We
of
(Please use block letters)
being a member/members of the above-named company hereby appoint the *Chairman of the Meeting*, or failing him
..... of
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the 5th day of September 1990 and at any adjournment thereof.

Resolutions	For	Against
1. To adopt the Report of the Directors and Accounts for the year ended 25th March, 1990		
2. To declare a Dividend.		
3. To re-appoint J. M. Button a Director.		
4. To re-appoint the Auditors, Hays Allan.		
5. To authorise the Board to fix the remuneration of the Auditors.		
6. Ordinary Resolution to authorise the Directors to allot relevant securities.		
7. Special resolution to disapply provisions of Section 89(1) of the Companies Act 1985.		
8. Ordinary resolution to enable the Company to make market purchases of its own shares.		

The manner in which the proxy is to vote should be indicated by inserting 'X' in the appropriate spaces. Unless otherwise directed, the proxy, will vote or abstain from voting as he thinks fit and in respect of the member's total holding.

Dated , 1990

Signed.....

Notes:

1. This form of proxy, in order to be available for use at the Annual General Meeting, must be lodged at the address overleaf, not less than 48 hours before the time appointed for the Meeting.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order of names in the register of members in respect of the joint holding.
3. In the case of a company, the form of proxy must either be under its common seal or be signed by an attorney or officer duly authorised in writing.
4. If a proxy other than the Chairman is preferred, strike out the words in *italics* and add the name of the proxy you wish to appoint and initial the alteration.
5. Any alteration in the form of proxy should be initialled.

Third Fold (tuck in)

THE SECRETARY,
COMPCO HOLDINGS PLC,
66 QUEEN STREET,
EDINBURGH EH2 4NE.

First Fold

Second Fold

**Report of the Auditors
to the Members of Compro Holdings Plc.**

We have audited the financial statements set out on pages 6 to 18 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Company and the Group's affairs at 25th March 1990 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**HAYS ALLAN
Chartered Accountants**

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

10th August 1990.