

REGISTRAR

OF

COMPANIES

GAT INVESTMENTS LIMITED

Report and Financial Statements

31 March 2000

**Deloitte & Touche
Blenheim House
Fitzalan Court
Newport Road
Cardiff CF24 0TS**



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REPORT AND FINANCIAL STATEMENTS 2000

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REPORT AND FINANCIAL STATEMENTS 2000

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

B P Moss
J Moss

SECRETARY

B P Moss

REGISTERED OFFICE

Blenheim House
Fitzalan Court
Newport Road
Cardiff
CF24 0TS

BANKERS

National Westminster Bank Plc

AUDITORS

Deloitte & Touche

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2000.

ACTIVITIES

The principal activities of the company continue to be the provision of management services and property investment.

RESULTS AND FUTURE PROSPECTS

The results for the year are considered to be satisfactory. Details of the result for the year are set out in the profit and loss account on page 5. The state of affairs of the company is shown in the balance sheet on page 6. The directors are satisfied that the company will continue to trade in the future.

DIVIDENDS

The directors do not recommend the payment of a final dividend.

DIRECTORS

The current directors of the company are shown on page 1.

The interests of Mr B P Moss in the shares of other group companies are shown in the directors report of GAT Holdings Limited.

No other directors have an interest in the shares of group companies.

CHARITABLE DONATIONS

Payments of a charitable nature made during the year amounted to £56,838 (1999 - £34,563).

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



B P Moss

Secretary

Date 20/12/00

STATEMENT 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 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. 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 GAT INVESTMENTS LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

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 affairs of the company as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche

Chartered Accountants and
Registered Auditors

Date *12 December 2000*

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2000

	Note	2000 £	1999 £
TURNOVER - continuing operations	2	1,107,064	890,931
Costs and overheads	3	(377,645)	(382,103)
OPERATING PROFIT - continuing operations		729,419	508,828
Interest receivable and similar income		16,557	183,364
Exceptional item	6	-	44,774
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		745,976	736,966
Tax on profit on ordinary activities	7	(248,377)	(212,127)
RETAINED PROFIT FOR THE YEAR	13	497,599	524,839

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 March 2000

	31 March 2000 £	31 March 1999 £
Profit for financial year	497,599	524,839
Unrealised surplus on revaluation of investment properties	1,359,752	-
Total recognised gains and losses relating to the year	1,857,351	524,839

BALANCE SHEET

31 March 2000

	Note	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	8		13,503,304		12,111,628
CURRENT ASSETS					
Debtors	9	426,599		353,166	
Cash at bank and in hand		5,719,166		176,625	
		6,145,765		529,791	
CREDITORS: amounts falling due within one year	10	(2,391,778)		(2,241,479)	
NET CURRENT ASSETS/(LIABILITIES)			3,753,987		(1,711,688)
TOTAL ASSETS LESS CURRENT LIABILITIES			17,257,291		10,399,940
CREDITORS: amounts falling due after more than one year	11		(5,000,000)		-
NET ASSETS			12,257,291		10,399,940
CAPITAL AND RESERVES					
Called up share capital	12		1,484,850		1,484,850
Profit and loss account	13		9,412,689		8,915,090
Revaluation reserve	13		1,359,752		-
TOTAL EQUITY SHAREHOLDERS' FUNDS			12,257,291		10,399,940

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors



B P Moss - Director

Date 20/12/00

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties.

Depreciation

Depreciation is calculated to write off the cost of all tangible fixed assets, other than freehold and long leasehold property, in equal annual instalments over their estimated useful lives. The anticipated useful lives are as follows:

Plant and machinery	-	4 to 8 years
Motor vehicles	-	4 years

In accordance with SSAP19, Accounting for Investment Properties, freehold investment properties are revalued at the balance sheet date at open market value. Any surplus or deficit arising from revaluation is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, because these properties are not held for consumption but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the year would have been decreased by depreciation. However the amount of depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Deferred taxation is provided, at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

2. TURNOVER

Turnover represents the invoiced value of goods and services, exclusive of value added tax.

	2000 £	1999 £
Analysis of turnover by activity		
Rents receivable	977,064	760,931
Management fees	130,000	130,000
	<u>1,107,064</u>	<u>890,931</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2000

3. COSTS AND OVERHEADS

	2000 £	1999 £
Employment costs (Note 4)	140,556	235,378
Depreciation - owned assets	12,726	12,975
Profit on sale of fixed assets	-	(2,844)
Other operating charges	224,363	136,594
	<u>377,645</u>	<u>382,103</u>
Included in other operating charges:		
Audit fee	<u>4,000</u>	<u>5,000</u>

4. DIRECTORS' EMOLUMENTS

	2000 £	1999 £
Aggregate emoluments of directors	<u>140,556</u>	<u>235,378</u>
Remuneration of the highest paid director	<u>140,556</u>	<u>235,378</u>

5. EMPLOYEES

Except for the directors, the company has no employees.

6. EXCEPTIONAL ITEM

The exceptional item relates to the write back of old credit intercompany balances which the directors consider are unlikely to be paid.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
United Kingdom corporation tax at 30% (1999 - 31%)	246,504	212,127
Adjustment in respect of prior years	<u>1,873</u>	<u>-</u>
	<u>248,377</u>	<u>212,127</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

8. TANGIBLE FIXED ASSETS

	Total £	Freehold investment properties £	Plant, machinery and motor vehicles £
Cost or valuation			
At 1 April 1999	12,142,195	12,075,598	66,597
Additions	44,650	44,650	-
Revaluation	1,359,752	1,359,752	-
	<u>13,546,597</u>	<u>13,480,000</u>	<u>66,597</u>
At 31 March 2000			
At valuation	11,248,728	11,248,728	-
At cost	2,297,869	2,231,272	66,597
	<u>13,546,597</u>	<u>13,480,000</u>	<u>66,597</u>
Accumulated depreciation			
At 1 April 1999	30,567	-	30,567
Charge for the year	12,726	-	12,726
	<u>43,293</u>	<u>-</u>	<u>43,293</u>
At 31 March 2000			
Net book value			
At 31 March 2000	<u>13,503,304</u>	<u>13,480,000</u>	<u>23,304</u>
At 31 March 1999	<u>12,111,628</u>	<u>12,075,598</u>	<u>36,030</u>
Comparable amounts determined according to the historical cost convention:			
Cost	12,186,845	12,120,248	66,597
Accumulated depreciation	43,293	-	43,293
Net book value			
At 31 March 2000	<u>12,143,552</u>	<u>12,120,248</u>	<u>23,304</u>
At 31 March 1999	<u>12,111,628</u>	<u>12,075,598</u>	<u>36,030</u>

The investment properties were valued by Allsop & Co Property Consultants at open market value on 31 December 1999; or where recently acquired at their historical cost. The director's believe this valuation reflects their current value.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

9. DEBTORS

	2000 £	1999 £
Other debtors	426,599	353,166
	<u>426,599</u>	<u>353,166</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Amounts owed to group undertakings	1,735,668	1,719,520
Corporation tax	246,504	201,935
Other creditors including taxation and social security	405,606	315,024
Accruals and deferred income	4,000	5,000
	<u>2,391,778</u>	<u>2,241,479</u>

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

	2000 £	1999 £
Personal loans	5,000,000	-
	<u>5,000,000</u>	<u>-</u>

Loans received are for the long-term with no fixed repayment date. Interest is paid at a market rate by the company quarterly in arrears.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

12. CALLED UP SHARE CAPITAL

	Authorised £	2000 and 1999 Allotted and fully paid £
Redeemable "A" preferences shares	30,000	-
"B" ordinary shares of £1 each	250,000	60,100
"C" ordinary shares of £1 each	100,000	44,100
"D" ordinary shares of £1 each	4,620,000	1,380,650
	<u>5,000,000</u>	<u>1,484,850</u>

Rights to dividends

Dividend rights are as follows:

- The holders of redeemable 'A' preference shares are entitled to a fixed preferential dividend at the rate of 12% per annum.
- The rate of dividend payable to the holders of 'B' ordinary shares, 'C' ordinary shares and 'D' ordinary shares shall be determined by the company in general meeting

Priority and amounts receivable on winding up

In the event of a winding up of the company, any surplus assets available for distribution to the shareholders shall be applied in the following manner and priority:

- In repaying to the holders of redeemable 'A' preference shares the amount of capital paid on the shares.
- In repaying to the holders of 'B' ordinary shares, 'C' ordinary shares and 'D' ordinary shares the amount of capital at par and paid on the shares.
- Any surplus to be paid to the holders of 'B' ordinary shares and 'D' ordinary shares.

Voting rights

Only the holders of 'B' ordinary shares shall be entitled to receive notice of and attend and vote at any general meeting of the company.

NOTES TO THE ACCOUNTS
Year ended 31 March 2000

13. RESERVES

	Total £	Revaluation reserve £	Profit and loss account £
Balance at 1 April 1999	8,915,090	-	8,915,090
Profit for the year	497,599	-	497,599
Revaluation of property	1,359,752	1,359,752	-
Balance at 31 March 2000	10,772,441	1,359,752	9,412,689

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	497,599	524,839
Revaluation of property	1,359,752	-
Shareholders' funds at 1 April	10,399,940	9,875,101
Shareholders' funds at 31 March	12,257,291	10,399,940

15. ULTIMATE PARENT COMPANY

The ultimate parent company is G.A.T. Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. There is no ultimate controlling party.

Copies of the financial statements of G.A.T. Holdings Limited can be obtained from Blenheim House, Fitzalan Court, Newport Road, Cardiff, CF24 0TS.

16. RELATED PARTY TRANSACTIONS

In the year the company received £50,000 (1999 - £50,000) management fees from NuAire Limited, a company with common shareholders, for the services of Mr B P Moss.

During the year two equal amounts were loaned to the company by D P Moss and S Levy, who act as trustees of the settlements which are considered by the directors to be the ultimate controlling parties of the company.