

LIGHTQUOTE LIMITED  
ABBREVIATED ACCOUNTS  
- for the year ended -  
31ST MARCH 1995



# LIGHTQUOTE LIMITED

## CONTENTS

	<u>Page</u>
Company Information	2
Report of the Directors	3
Report of the Auditors	5
Profit and Loss Account	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Accounts	10

**LIGHTQUOTE LIMITED****COMPANY INFORMATION****DIRECTORS**

Mr Milton Gross           (American)  
Mr Berish Berger  
Mrs Rifka Gross  
Mrs Pessie Berger       (American)  
Mrs Sarah Padwa

**JOINT SECRETARIES**

Mrs Rifka Gross  
Mrs Pessie Berger

**REGISTERED OFFICE**

66 Wigmore Street  
London  
W1H 0HQ

**COMPANY NUMBER**

1805592 (England)

**AUDITORS**

Levy Gee  
Chartered Accountants  
66 Wigmore Street  
London  
W1H 0HQ

## LIGHTQUOTE LIMITED

### REPORT OF THE DIRECTORS

The Directors present their Annual Report together with the Audited Accounts for the year ended 31st March 1995.

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Accounts 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 Accounts the Directors are required to

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Accounts;
- \* prepare the Accounts 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 Accounts 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 and other irregularities.

#### RESULTS

	<u>1995</u>	<u>1994</u>
The results for the year are set out below:	£	£
(Loss)/Profit for the Year before Taxation	(457,094)	395,222
Taxation	(47,329)	(166,125)
Dividends	(20,000)	(140,000)
	-----	-----
Deficiency for the Year	£(524,423)	£89,097
	=====	=====

#### DIVIDEND

During the year, the Directors have paid an interim dividend of 66.67p per ordinary share.

#### REVIEW OF ACTIVITIES

The principal activity of the Company continues to be that of property investment.

#### FIXED ASSETS

The movement in fixed assets are shown in notes 10 and 11 to the Accounts. The Company's investment properties are included in the Accounts at historical cost. The Directors are of the opinion that the open market value of each of the Company's investment properties is at least equal to the amount at which it is included in the Accounts.

## LIGHTQUOTE LIMITED

### REPORT OF THE DIRECTORS

#### DIRECTORS

The Directors during the year and their interests in the issued shared capital of the Company on the dates specified were as follows:-

	<u>31st March 1995</u>	<u>1st April 1994</u>
	<u>Ordinary Shares</u>	<u>Ordinary Shares</u>
	<u>of £1 each</u>	<u>of £1 each</u>
Mr Milton Gross	-	-
Mr Berish Berger	-	-
Mrs Rifka Gross (as trustee)	15,000	15,000
Mrs Pessie Berger	15,000	15,000
Mrs Sarah Padwa	-	-
	=====	=====

Mrs Rifka Gross is a trustee and together with Mrs Sarah Padwa is a potential beneficiary of the M Gross settlement which beneficially owns 15,000 ordinary shares of £1 each.

Mrs Sarah Padwa was appointed as a Director of the Company on the 21st March 1995.

#### POLITICAL AND CHARITABLE DONATIONS

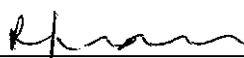
The Company made charitable donations of £291,667 (1994: £266,667) during the year. No contribution of a political nature were made during the year.

#### AUDITORS

On 7th September 1995, Cohen Arnold and Co tendered their resignation as Auditors of the Company and Levy Gee were appointed as Auditors in their place.

In accordance with the Companies Act 1985, a resolution proposing the re-appointment of Levy Gee as Auditors of the Company will be put to the Annual General Meeting.

By Order of the Board

  
MRS R GROSS  
Secretary

Date 16<sup>th</sup> August 1996

## **LIGHTQUOTE LIMITED**

### **REPORT OF THE AUDITORS TO THE DIRECTORS**

In our opinion, the Directors are entitled under Sections 246 and 247 of the Companies Act 1985 to deliver abbreviated accounts for Lightquote Limited in respect of the financial year ended 31st March 1995 and the attached abbreviated accounts on pages 7 to 17 have been properly prepared in accordance with Schedule 8, Companies Act 1985.

The full text of our report under Section 236 of the Companies Act 1985 on the Accounts of the Company prepared under Section 226 of the Act for the year ended 31st March 1995 is reproduced below.

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

### **REPORT OF THE AUDITORS TO THE MEMBERS**

We have audited the Accounts on pages 7 to 17 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

#### **Respective Responsibilities of Directors and Auditors**

As described on page 3 the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts 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, except that the scope of our audit was limited as explained below. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the Accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the Accounts 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 Accounts 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 Accounts.

LIGHTQUOTE LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

Qualified Opinion Arising from Limitation of Scope and Departure from Accounting Standard

- (i) A property held for resale has been included in stock at its original cost of £1,295,023. As indicated in note 12 to the Accounts, in May 1996 this property was transferred to its wholly owned subsidiary, Dornville Limited, for a sum of £10,000.

As we have not been supplied with an independent valuation of the property as at 31st March 1995, we are unable to confirm whether the property was included in the Balance Sheet at the lower of its cost and net realisable value.

- (ii) The Company's investment properties are included in the financial statements on the basis indicated in note 1c of accounting policies. This does not comply with the requirements of Statement of Standard Accounting Practice No.19 which requires such properties to be stated at their open market value.
- (iii) Except for any adjustments that might have been necessary in respect of the stock valuation and compliance with the requirements of Statement of Standard Accounting Practice No.19, in our opinion the Accounts give a true and fair view of the state of the Company's affairs at 31st March 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Levy Gee*

66 Wigmore Street  
LONDON W1H 0HQ

Date *16th August 1996*

LEVY GEE  
Registered Auditor  
Chartered Accountants

LEVY GEE

**LIGHTQUOTE LIMITED**

**PROFIT AND LOSS ACCOUNT**

**- for the year ended -**

**31ST MARCH 1995**

	<u>Note</u>	<u>1995</u> £	<u>1994</u> £
Operating Profit		1,146,756	1,496,552
Bad Debt	3	(1,039,014)	-
Surplus on Disposal of Investment Property	5	447,703	-
Donations to Charity	6	(291,667)	(266,667)
Interest Receivable		12,247	15,205
Interest Payable	4	(733,119)	(849,868)
		-----	-----
(Loss)/Profit on Ordinary Activities before Taxation	2	(457,094)	395,222
Taxation on (Loss)/Profit on Ordinary Activities	7	(47,329)	(166,125)
		-----	-----
(Loss)/Profit on Ordinary Activities after Taxation		(504,423)	229,097
Dividends	8	(20,000)	(140,000)
		-----	-----
(Deficiency)/Retained Profit for the Year	16	£(524,423)	£89,097
		=====	=====

There are no gains or losses for the year other than those recognised in the Profit and Loss Account.



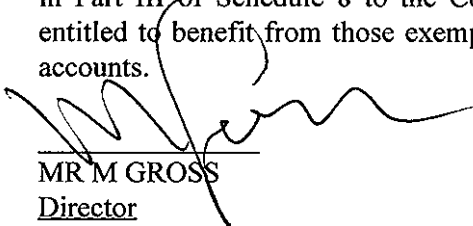
# LIGHTQUOTE LIMITED

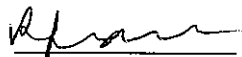
## BALANCE SHEET AT 31ST MARCH 1995

	Note	£	1995 £	£	1994 £
<b><u>FIXED ASSETS</u></b>					
Tangible	9		4,275,254		5,601,610
Investments	10		200		-
			-----		-----
			4,275,454		5,601,610
<b><u>CURRENT ASSETS</u></b>					
Stock	11	1,295,023		1,295,023	
Debtors	12	1,050,894		2,115,685	
Cash at Bank and in Hand		249,293		272,159	
		-----		-----	
		2,595,210		3,682,867	
<b><u>CREDITORS - Amounts</u></b>					
<u>Falling Due Within One Year</u>	13	(2,300,526)		(3,560,481)	
		-----		-----	
<b><u>NET CURRENT ASSETS</u></b>					
			294,684		122,386
			-----		-----
<b><u>TOTAL ASSETS LESS</u></b>					
<b><u>CURRENT LIABILITIES</u></b>					
			4,570,138		5,723,996
<b><u>CREDITORS - Amounts</u></b>					
<u>Falling Due After One Year</u>	14		(3,592,075)		(4,221,510)
			-----		-----
			£978,063		£1,502,486
			=====		=====
<b><u>EQUITY</u></b>					
<b><u>CAPITAL AND RESERVES</u></b>					
Called Up Share Capital	15		30,000		30,000
Share Premium Account	16		180,000		180,000
Capital Reserve	16		324,058		324,058
Profit and Loss Account	16		444,005		968,428
			-----		-----
			£978,063		£1,502,486
			=====		=====

These Accounts are presented in accordance with the format prescribed by Schedule 4 of the Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Company's activities. These Accounts were approved by the Board of Directors on 16th August 1996

The Directors have relied on the exemptions for individual Financial Statements contained in Part III of Schedule 8 to the Companies Act 1985. Under that Act the Company is entitled to benefit from those exemptions as a medium company and thus file abbreviated accounts.

  
MR M GROSS  
Director

  
MRS R GROSS  
Director

# LIGHTQUOTE LIMITED

## CASH FLOW STATEMENT

- for the year ended -

31ST MARCH 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		£	£
Net cash inflow from operating activities	20a	1,324,234	1,087,936
<u>Returns on investments and servicing of finance:</u>			
Interest Received		12,247	21,184
Interest Paid		(682,787)	(637,174)
Dividends Paid		(20,000)	(140,000)
		-----	-----
Net cash outflow from returns on investments and servicing of finance		(690,540)	(755,990)
<u>Taxation:</u>			
Corporation Tax Paid (including advance corporation tax)		(102,500)	(148,717)
<u>Payments to Charities</u>		(285,417)	(200,000)
<u>Investing Activities:</u>			
Payments to acquire Investment in Subsidiary Companies		(200)	-
Receipts from sales of tangible fixed assets		1,774,059	-
		-----	-----
Net cash inflow from investing activities		1,773,859	-
<u>Financing:</u>			
Repayment of Loan		(2,002,927)	(267,600)
		-----	-----
Net cash outflow from financing		(2,002,927)	(267,600)
		-----	-----
Increase/(Decrease) in Cash and Cash Equivalents	20b,c	£ 16,709	£(284,371)
		=====	=====

# LIGHTQUOTE LIMITED

## NOTES TO THE ACCOUNTS

### 1 ACCOUNTING POLICIES

#### a) Accounting Convention

The Accounts are prepared under the Historical Cost Convention.

#### b) Depreciation

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation or amortisation is provided in respect of freehold investment properties nor on leasehold investments properties having an unexpired term of more than twenty years. This departure from the requirements of the Companies Act 1985, for all properties to be depreciated, is necessary, as the directors consider that this accounting policy results in the financial statements giving a true and fair view.

Leases having an unexpired term of less than twenty years are amortised evenly over the remaining period of the lease.

#### c) Investment Properties

Investment properties are included in the balance sheet at historical cost, which is not in accordance with Statement of Standard Accounting Practice No.19, which requires such properties to be stated at their open market value as estimated by the Directors.

#### d) Acquisitions and Disposals of Properties

Acquisitions and disposals are considered to have taken place at the date of legal completion and are included in the financial statements accordingly.

#### e) Stock

The stock of properties held for trading is included in the financial statements at the lower of cost and estimated net realisable value.

# LIGHTQUOTE LIMITED

## NOTES TO THE ACCOUNTS

### 2 DISCLOSABLE AND ADMINISTRATIVE EXPENSES

All Expenses are related to continuing activities.

The loss on ordinary activities before taxation is stated after charging:-

	<u>1995</u>	<u>1994</u>
	£	£
<u>Disclosable Expenses</u>		
Directors' Remuneration	14,500	11,600
Auditors' Remuneration - Audit Fee	3,525	3,525
- Other	4,347	2,350
	-----	-----
	22,372	17,475
<u>Other Administrative Expenses</u>		
Bank Charges	3,093	2,249
Legal and Professional Fees	447	-
Others	3,756	64
	-----	-----
	£29,668	£19,788
	=====	=====

The remuneration of the chairman and highest paid director excluding pension contributions was £2,900 (1994: £2,900). The breakdown of remuneration for the other directors excluding pension contributions was as follows:-

	<u>1995</u>	<u>1994</u>
	<u>Number</u>	<u>Number</u>
£ Nil - £ 5,000	4	3
	===	===

# **LIGHTQUOTE LIMITED**

## **NOTES TO THE ACCOUNTS**

### **3 BAD DEBTS**

Bad debts represent provisions made against loans receivable from connected companies some of which are not considered recoverable by the Directors.

### **4 INTEREST PAYABLE**

	<u>1995</u>	<u>1994</u>
	£	£
Bank Loans and Overdrafts	279,181	300,421
Other Loans fully repayable within Five Years	221,255	290,412
Loans not wholly repayable within Five Years	164,389	159,035
Cost of Obtaining Finance	18,294	-
Interest on Overdue Tax	50,000	100,000
	-----	-----
	<u>£733,119</u>	<u>£849,868</u>
	=====	=====

### **5 SURPLUS ON DISPOSAL OF INVESTMENT PROPERTY**

	<u>1995</u>	<u>1994</u>
	£	£
Gross Sale Proceeds	1,779,309	-
Cost of Investments Sold	(1,326,356)	-
Selling Expenses	(5,250)	-
	-----	-----
	<u>£447,703</u>	<u>£ -</u>
	=====	=====

### **6 DONATIONS TO CHARITY**

	<u>1995</u>	<u>1994</u>
	£	£
Ardenlink Limited	65,000	133,333
M & R Gross Charities Limited	200,000	133,334
United Talmudical Associates Limited	26,667	-
	-----	-----
	<u>£291,667</u>	<u>£266,667</u>
	=====	=====

All the above charities are registered charities. The Directors of Ardenlink Limited include Mrs P Berger. The Directors and Board of Governors of M & R Gross Charities Limited include Mr M Gross, Mrs R Gross and Mrs S Padwa.

### **7 TAXATION ON LOSS ON ORDINARY ACTIVITIES**

	<u>1995</u>	<u>1994</u>
Corporation Tax @ 30.6% (1994: 33%) based on the Loss for the Year	<u>£47,329</u>	<u>£166,125</u>
	=====	=====

# LIGHTQUOTE LIMITED

## NOTES TO THE ACCOUNTS

### 8 DIVIDENDS

	<u>1995</u>	<u>1994</u>
Interim Dividends Paid	£20,000	£140,000
	=====	=====

### 9 TANGIBLE FIXED ASSETS

	<u>Leasehold</u>	<u>Freehold</u>	<u>Total</u>
	£	£	£
<u>Investment Properties at Cost</u>			
At 1st April 1994	2,709,658	2,891,952	5,601,610
Disposals	(1,326,356)	-	(1,326,356)
	-----	-----	-----
At 31st March 1995	£1,383,302	£2,891,952	£4,275,254
	=====	=====	=====

In accordance with the Company's stated accounting policy (see note 1b) no depreciation has been provided in respect of the freehold and leasehold properties having an expired term of more than twenty years which are held for investment purposes.

During the year the Company transferred a leasehold property at £1,779,308 (cost £1,326,356) to Dornville Limited, a wholly owned subsidiary.

### 10 INVESTMENTS HELD AS FIXED ASSETS

	<u>Shares in</u>
	<u>Group</u>
	<u>Companies</u>
	£
<u>In Subsidiaries</u>	
At 1st April 1994	-
Additions	200
	-----
At 31st March 1995	£ 200
	=====

The value of the investment in the group undertaking based on the net equity method, is as follows:-

	<u>Aggregate</u>	<u>Results for</u>
	<u>Capital and</u>	<u>the Year</u>
	<u>Reserves at 31st</u>	<u>Ended 31st</u>
	<u>March 1995</u>	<u>March 1995</u>
	£	£
Dornville Limited	19,237	19,137
Valepride Limited	100	-
	-----	-----
	£19,337	£19,137
	=====	=====

# LIGHTQUOTE LIMITED

## NOTES TO THE ACCOUNTS

### 11 STOCK

	<u>1995</u>	<u>Cost</u> <u>1994</u>
Property held for Resale	£1,295,023	£1,295,023
	=====	=====

In May 1996 the Company sold its property held for resale to its wholly owned subsidiary Dornville Limited at the request of one of its bankers. The consideration for the transfer was £10,000.

### 12 DEBTORS

	<u>1995</u> £	<u>1994</u> £
<u>Amounts Falling Due Within One Year</u>		
Trade Debtors	175,725	364,842
Amounts owed by Group and Connected Undertakings	659,325	1,484,593
Other Debtors	99,104	184,750
Prepayments and Accrued Income	116,740	81,500
	-----	-----
	£1,050,894	£2,115,685
	=====	=====

### 13 CREDITORS

	<u>1995</u> £	<u>1994</u> £
<u>Amounts Falling Due Within One Year</u>		
Bank Loans and Overdrafts	166,259	1,878,048
Other Loans	438,770	140,050
Trade Creditors	59,712	28,338
Amounts owed to Group and Connected Undertakings	134,671	37,880
Corporation Tax	47,780	169,618
Other Taxes and Social Security Costs	517,593	510,912
Other Creditors	388,840	420,916
Accruals and Deferred Income	546,901	374,719
	-----	-----
	£2,300,526	£3,560,481
	=====	=====

The bank and other loans are secured by fixed first legal charges over certain of the Company's properties which are included in the financial statements at £5,570,277 (1994: £6,896,633).

# LIGHTQUOTE LIMITED

## NOTES TO THE ACCOUNTS

### 14 CREDITORS

	<u>1995</u>	<u>1994</u>
	£	£
<u>Amounts Falling Due After One Year</u>		
<u>Bank and Other Loans</u>		
Amounts Repayable Within Five Years	1,515,702	3,116,545
Amounts Repayable After Five Years	2,681,402	3,123,063
	-----	-----
	4,197,104	6,239,608
<u>Less: Amounts Repayable Within One Year</u>		
(Included in Note 14 above)	(605,029)	(2,018,098)
	-----	-----
	£3,592,075	£4,221,510
	=====	=====

The bank and other loans are secured by fixed first legal charges over certain of the Company's properties which are included in the financial statements at £5,570,277 (1994: £6,896,633).

### 15 SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
<u>Authorised</u>		
<u>Equity</u>		
50,000 Ordinary Shares of £1 each	£50,000	£50,000
	=====	=====
<u>Issued, Called Up and Fully Paid</u>		
<u>Equity</u>		
30,000 Ordinary Shares of £1 each	£30,000	£30,000
	=====	=====

### 16 STATEMENT OF MOVEMENTS ON RESERVES

	<u>Share</u> <u>Premium</u> <u>Account</u>	<u>Capital</u> <u>Reserve</u>	<u>Profit</u> <u>and Loss</u> <u>Account</u>
Balance at 1st April 1994	180,000	324,058	968,428
Deficiency for the Year	-	-	(524,423)
	-----	-----	-----
Balance at 31st March 1995	£180,000	£324,058	£444,005
	=====	=====	=====



**LIGHTQUOTE LIMITED**

**NOTES TO THE ACCOUNTS**

**17 CONTINGENT LIABILITIES**

In the event of the Company redeeming loans in the sum of £1,531,031 (1994: £1,584,467) in advance of their maturity date it would be liable to penalties and interest loss totalling £581,000 (1994: £560,948).

**18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>1995</u>	<u>1994</u>
	£	£
(Loss)/Profit for the Financial Year and		
Net (Reduction)/Addition to Shareholders' Funds	(524,423)	89,097
Opening Shareholders' Funds	1,502,486	1,413,389
	-----	-----
Closing Shareholders' Funds	<u>£978,063</u>	<u>£1,502,486</u>

**19 ADDITIONAL INFORMATION ON SUBSIDIARY UNDERTAKINGS**

<u>Subsidiaries</u>	<u>Country of Incorporation and Operation</u>	<u>Activity</u>	<u>Proportion of Voting Rights and Shares Held</u>
Dornville Limited	England	Property Investment	100%
Valepride Limited	England	Dormant	100%

# LIGHTQUOTE LIMITED

## NOTES TO THE ACCOUNTS

### 20 NOTES TO THE CASH FLOW STATEMENT

a) Reconciliation of Operating Profit to  
Net Cash Inflow from Operating Activities

	<u>1995</u> £	<u>1994</u> £
Operating Profit	1,146,756	1,496,552
<u>Less: Bad Debts (Exceptional Item)</u>	(1,039,013)	-
	-----	-----
	107,743	1,496,552
 Increase in Debtors	-	(286,195)
Decrease in Debtors	979,143	-
Increase in Creditors	237,348	-
Decrease in Creditors	-	(122,421)
	-----	-----
Net Cash Inflow from Operating Activities	£1,324,234	£1,087,936
	=====	=====

b) Analysis of Changes in Cash and  
Cash Equivalents during the Year

	£
Balance at 1st April 1994	194,239
Net Cash Inflow	16,709
	-----
Balance at 31st March 1995	£210,948
	=====

c) Analysis of the Balance of Cash and Cash  
Equivalents as Shown in the Balance Sheet

	<u>1995</u> £	<u>1994</u> £	<u>Change in</u> <u>Year</u> £
Cash at Bank and in Hand	249,293	272,159	(22,866)
Bank Overdrafts	(38,345)	(77,920)	39,575
	-----	-----	-----
	£210,948	£194,239	£16,709
	=====	=====	=====