

2522241

Mohican Nominees Limited

Report and Accounts

13 DECEMBER 1995



Mohican Nominees Limited

Registered No. 2522241

DIRECTORS

G P Mackay
F Mathew
D Ward

SECRETARY

G P Mackay

AUDITORS

Ernst & Young
400 Capability Green
Luton
Beds
LU1 3LU

BANKERS

Norwich Union
P O Box 21
Surrey Street
Norwich
NR1 3NJ

SOLICITORS

Beaumont and Son
Lloyds Chambers
1 Portsoken Street
London
E1 8AW

REGISTERED OFFICE

400 Capability Green
Luton
Beds
LU1 3LU

Mohican Nominees Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 13 December 1995.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to 9,017 (1994 - £86,900).

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is the holding of investment property.

FIXED ASSETS

Changes in fixed assets are summarised in note 8 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors at 13 December 1995 and their interests in the share capital of the company were as follows:

	<i>At 13 December 1995 Ordinary shares</i>	<i>At 13 December 1994 Ordinary shares</i>
G P Mackay	1	1
D Ward	1	1
F Mathew	—	—

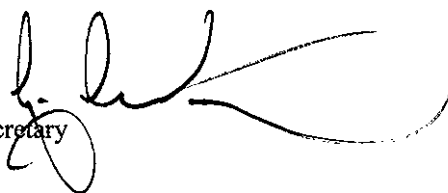
AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By Order of the Board


Secretary

10/10/96

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

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; and
- 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.

**REPORT OF THE AUDITORS
to the members of Mohican Nominees Limited**

We have audited the accounts on pages 6 to 10, which have been prepared under the historical cost convention as modified by the revaluation of land and buildings and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the 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. 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.

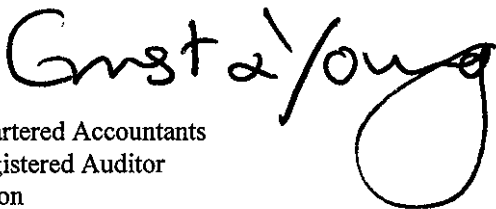
Fundamental uncertainty

In forming our opinion we have considered the adequacy of the disclosures made in the accounts concerning the continued availability of finance. The accounts have been prepared on a going concern basis, the validity of which depends upon future funding being available. The accounts do not include any adjustments which would result from a failure to obtain funding. Our opinion is not qualified in this respect.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 13 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Chartered Accountants
Registered Auditor
Luton



10/10/96

Mohican Nominees Limited

PROFIT AND LOSS ACCOUNT for the year ended 13 December 1995

	<i>Notes</i>	<i>1995</i> £	<i>1994</i> £
TURNOVER	3	700,000	700,000
OPERATING CREDIT/(COSTS)	4	38,788	(37,540)
OPERATING PROFIT		<u>738,788</u>	<u>662,460</u>
Bank interest receivable		16,908	23,531
Interest payable	6	(764,713)	(772,891)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(9,017)</u>	<u>(86,900)</u>
Tax on loss on ordinary activities	7	—	—
LOSS FOR THE FINANCIAL YEAR	13	<u>(9,017)</u>	<u>(86,900)</u>

There are no recognised gains or losses other than the loss attributable to shareholders of the company.

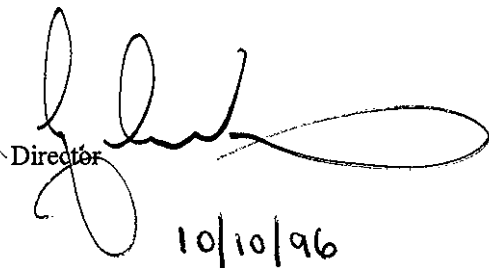
Mohican Nominees Limited

BALANCE SHEET

at 13 December 1995

	Notes	1995 £	1994 £
FIXED ASSETS			
Tangible assets	8	6,400,000	6,400,000
CURRENT ASSETS			
Debtors	9	44,766	180,523
Cash at bank and in hand		140,304	298,838
		185,070	479,361
CREDITORS: amounts falling due within one year	10	305,679	590,953
NET CURRENT LIABILITIES		(120,609)	(111,592)
TOTAL ASSETS LESS CURRENT LIABILITIES		6,279,391	6,288,408
CREDITORS: amounts falling due in more than one year	11	5,500,000	5,500,000
		779,391	788,408
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Revaluation reserve	13	1,248,864	1,248,864
Profit and loss account - deficit	13	(469,475)	(460,458)
		779,391	788,408

The directors have taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company is entitled to the benefit of those exemptions as a small company.


 Director
 10/10/96

NOTES TO THE ACCOUNTS
at 13 December 1995

1. **FUNDAMENTAL ACCOUNTING CONCEPT NOTE**

The company is dependent on continuing finance being made available to the company. Continuing finance is required both to enable the company to meet its liabilities as they fall due and to continue operating without immediate realisation of all its assets.

The directors believe that continuing finance will be available and that it is therefore appropriate to prepare the accounts on a going concern basis. However, should continuing financing not be available, the going concern basis would be invalid and adjustments would have to be made to reduce the value of assets to their realisable amount, to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

2. **ACCOUNTING POLICIES**

Accounting convention

The accounts are prepared under the historical cost convention modified to include the revaluation of land and buildings and in accordance with applicable accounting standards.

Investment properties

Investment properties are stated at their open market value. Professional valuations of properties will take place periodically and during the period between professional valuations, the properties will be valued by the directors.

No depreciation is provided in respect of leasehold investment properties.

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that this policy of not providing depreciation or amortisation is necessary in order for the accounts to give a true and fair view, since the current value of investment properties and changes in that current value are of prime importance rather than a calculation of systematic annual depreciation. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

3. **TURNOVER**

Turnover comprises rentals receivable on properties, all of which are continuing and all arises in the United Kingdom.

4. **OPERATING COSTS**

	1995 £	1994 £
Auditors' remuneration	3,000	3,000
Other operating costs	14,739	34,540
VAT recoverable	(4,977)	—
Insurance premium refund	(51,550)	—
	<u>(38,788)</u>	<u>37,540</u>

5. **DIRECTORS' REMUNERATION**

The directors received no remuneration from the company during the year.

Mohican Nominees Limited

NOTES TO THE ACCOUNTS at 13 December 1995

6. INTEREST PAYABLE

	1995 £	1994 £
Loans	757,647	759,000
Interest on unpaid income tax	7,066	13,891
	<u>764,713</u>	<u>772,891</u>

7. TAX ON LOSS ON ORDINARY ACTIVITIES

No charge to corporation tax arises on the loss for the year.

8. TANGIBLE FIXED ASSETS

The net book value of land and buildings comprises:

	1995 £	1994 £
Investment properties:		
Long leasehold	<u>6,400,000</u>	<u>6,400,000</u>

Long leasehold investment properties were valued on an open market value for existing use basis on 7 September 1990 by Henry Davis & Company valuers. In the opinion of the directors, this is a fair value of the investment properties at 13 December 1995.

9. DEBTORS

	1995 £	1994 £
Other debtors	<u>44,766</u>	<u>180,523</u>

10. CREDITORS: amounts falling due within one year

	1995 £	1994 £
Other taxes and social security costs	148,017	482,660
Other creditors and accruals	157,662	108,293
	<u>305,679</u>	<u>590,953</u>

11. LOANS

	1995 £	1994 £
Bank loan at 13.8% per annum, wholly repayable on 23 October 2000	<u>5,500,000</u>	<u>5,500,000</u>

The bank loan is secured by a charge on the company's leasehold property.

Mohican Nominees Limited

NOTES TO THE ACCOUNTS at 13 December 1995

12. SHARE CAPITAL

	1995	Authorised 1994 £	Allotted, called up and fully paid	
			1995	1994 £
Ordinary shares of £1 each	1,000	1,000	2	2

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Re- valuation reserve £	Total £
At 14 December 1993	2	(373,558)	1,248,864	875,308
Loss for the year	—	(86,900)	—	(86,900)
At 14 December 1994	2	(460,458)	1,248,864	788,408
Loss for the year	—	(9,017)	—	(9,017)
At 13 December 1995	2	(469,475)	1,248,864	779,391

14. DIRECTORS' INTERESTS

Included in other debtors (note 9) are loans of £16,746 to Wortheary Limited and £18,487 to Statuslist Limited, companies in which G P Mackay is a director and controlling shareholder. Also included in other creditors and accruals (note 10) is £39,684 due to G P Mackay relating to company expenses paid by the director which will be repaid in the future.