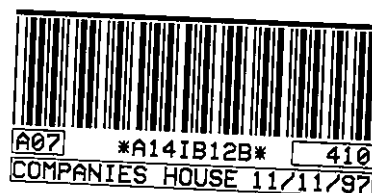


Company No 12255

THE GREEN MOUNT ESTATE COMPANY LIMITED

ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997



PARKER GRADWELL & CO.

Chartered Accountants and Registered Auditor

17 Chapel Street, Hyde, Cheshire, SK14 1LF

# THE GREEN MOUNT ESTATE COMPANY LIMITED

## REPORT OF THE DIRECTORS

The directors submit their report and the audited accounts of the Company for the year ended 28th February 1997.

### PRINCIPAL ACTIVITY

The principal activity of the Company was property investment and there has been no change in this activity during the year.

### DIRECTORS

The directors who served during the year were as follows :-

C.C. Murray  
S.B. Murray  
R.G. Murray

A.J. Murray  
R.H. Murray  
T.W. Marshall  
(Appointed Sept 96)

Mr. R.H. Murray holds one ordinary share in the Company as nominee for The Hollins Murray Group Limited. No other director has any interest in the share capital of the Company.

Messrs. S.B. Murray and R.G. Murray retire from the Board by rotation and Mr. T.W. Marshall retires in accordance with the Articles of Association. All, being eligible, offer themselves for re-election.

### DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 of 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 judgments and estimates that are reasonable and prudent ;  
Prepare the financial statements on the going concern basis unless it  
it is inappropriate to presume that the Company will continue to operate.

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 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.

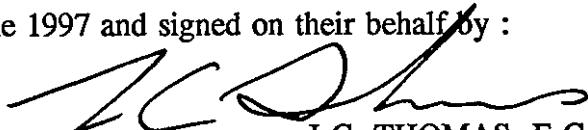
### AUDITORS

Pursuant to the provisions of Section 386 of the Companies Act 1985, the Company has elected to dispense with the obligation to appoint auditors annually. Messrs. Parker Gradwell & Co. will therefore continue in office.

### SMALL COMPANY EXEMPTION

Advantage has been taken in the preparation of the directors' report of the special exemptions applicable to small companies.

Approved by the Board of Directors on 16th June 1997 and signed on their behalf by :

  
I.C. THOMAS, F.C.A.,  
Secretary

THE GREEN MOUNT ESTATE COMPANY LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 11 which have been prepared under the historical cost convention as modified by the revaluation of freehold and long leasehold properties and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 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.

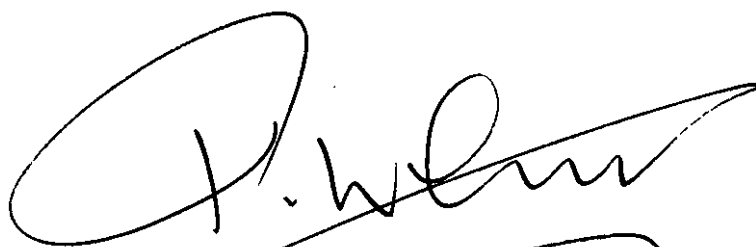
Basis of Opinion

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 judgments made by the directors in the preparation of the financial statements, and 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 the Company's affairs at 28th February 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



PARKER GRADWELL & CO.

Chartered Accountants and Registered Auditor

16th June 1997

17 Chapel Street, Hyde, Cheshire.

THE GREEN MOUNT ESTATE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28TH FEBRUARY 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
TURNOVER - Gross Rental Income	2	<u>£139,539</u>	<u>£138,600</u>
Net rental income		43,929	71,114
Administrative expenses		<u>22,428</u>	<u>29,500</u>
OPERATING PROFIT	3	21,501	41,614
Profit on sale of fixed assets	4	<u>37,662</u>	<u>97,392</u>
		59,163	139,006
Other income	5	<u>2,101</u>	<u>3,601</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		61,264	142,607
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	<u>(8,357)</u>	<u>31,479</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION/PROFIT FOR THE FINANCIAL YEAR		69,621	111,128
DIVIDENDS (Including dividends on non equity shares)	7	<u>15,927</u>	<u>30,633</u>
RETAINED PROFIT FOR THE YEAR		<u>£53,694</u>	<u>£80,495</u>

STATEMENT OF RETAINED PROFITS

RETAINED PROFIT AT 29th February 1996		73,623		73,623
Retained profit for the year	53,694		80,495	
Transfer to capital reserve	<u>53,694</u>	<u>-</u>	<u>80,495</u>	<u>-</u>
RETAINED PROFIT AT 28th February 1997		<u>£73,623</u>		<u>£73,623</u>

THE GREEN MOUNT ESTATE COMPANY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 28TH FEBRUARY 1997

	<u>1997</u>	<u>1996</u>
Profit for the financial year	69,621	111,128
Unrealised surplus (deficit) on revaluation of properties	<u>18,870</u>	<u>(16,309)</u>
	<u>£88,491</u>	<u>£94,819</u>

NOTE OF HISTORICAL COST PROFIT AND LOSSES  
FOR THE YEAR ENDED 28TH FEBRUARY 1997

Reported profit on ordinary activities before taxation	61,264	142,607
Realisation of property revaluation gains of previous years	<u>138,401</u>	<u>103,645</u>
Historical cost profit on ordinary activities before taxation	<u>£199,665</u>	<u>£246,252</u>
Reported profit on ordinary activities after taxation and dividends	53,694	80,495
Realisation of property revaluation gains of previous years	138,401	103,645
Taxation on past property revaluations	<u>(33,531)</u>	<u>(29,748)</u>
Historical cost profit for the year retained after taxation and dividends	<u>£158,564</u>	<u>£154,392</u>

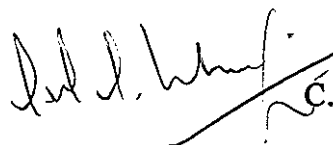

THE GREEN MOUNT ESTATE COMPANY LIMITED

BALANCE SHEET AT 28TH FEBRUARY 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
<u>FIXED ASSETS</u>			
Tangible assets	8	2,079,924	2,205,982
Investments other than loans	9	<u>40,000</u>	<u>40,000</u>
		2,119,924	2,245,982
<u>CURRENT ASSETS</u>			
Debtors	10	700,420	547,030
<u>CREDITORS</u>			
Amounts falling due within one year :			
Other creditors	11	<u>73,314</u>	<u>86,459</u>
NET CURRENT ASSETS		<u>627,106</u>	<u>460,571</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,747,030	2,706,553
PROVISION FOR LIABILITIES AND CHARGES	12	<u>191,662</u>	<u>223,749</u>
		<u>£2,555,368</u>	<u>£2,482,804</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	13	73,050	73,050
Reserves	14	<u>2,482,318</u>	<u>2,409,754</u>
SHAREHOLDERS' FUNDS (Including non equity interest)	15	<u>£2,555,368</u>	<u>£2,482,804</u>

The directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8, Part 1 of the Companies Act 1985. In the opinion of the directors the Company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the Board of Directors on 16th June 1997 and signed on its behalf by :

 C.C. MURRAY )  
 )  
 A.J. MURRAY ) Directors

The notes on pages 6 to 11 form part of these accounts

THE GREEN MOUNT ESTATE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997

1. ACCOUNTING POLICIES

(a) Convention

The accounts have been prepared in accordance with the historical cost convention, as modified by the inclusion of freehold and long leasehold properties at their open market value. The principal accounting policies which the directors have adopted are set out below.

(b) Freehold and Long Leasehold Properties

In accordance with SSAP 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a property revaluation reserve. No depreciation or amortisation is provided in respect of freehold properties. The directors consider that this accounting policy results in the accounts giving a true and fair value. The revaluation is carried out by Mr. A.J. Murray, F.S.V.A., I.R.R.V., of The Hollins Murray Group Limited, who is also a director of the Company.

These valuations have been prepared on the basis of open market value in accordance with the RICS/ISVA relevant guidance notes on the valuation of property assets. Each property has been valued individually and not as part of a portfolio. No account has been taken of any inter-company leases or arrangements nor have any mortgages, debentures or other charges and no allowance has been made for any expenses of realisation nor any taxation which might arise in the event of a disposal. The figures also do not reflect any element of special purchaser value following a merger of interests or sale to an owner or occupier of an adjoining property.

Where projects have not been included in the valuation review, they are included at cost or in the directors' assessments of open market value. Buildings under construction are valued at cost.

(c) Deferred Taxation

Full provision has been made for the liability that would arise to corporation tax on capital gains if the Company's interest in the freehold and long leasehold properties were disposed of at the Balance Sheet value.

(d) Depreciation

Depreciation on furniture and equipment has been charged at the rate of 25% on the reducing balance basis.

(e) Government Grants

Government Grants are credited to the Profit and Loss Account in the same period as the expenditure to which they contribute unless it is deemed that they will be repayable.

(f) Pensions

Pension contributions are charged to the Profit and Loss Account in the period in which they are incurred.

THE GREEN MOUNT ESTATE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997

2. TURNOVER - Gross Rental Income

The turnover and profit on ordinary activities before taxation are attributable to the Company's principal activity and are in respect of United Kingdom rental income.

3. <u>OPERATING PROFIT</u>	<u>1997</u>	<u>1996</u>
Operating profit is stated after charging :		
Depreciation on furniture and equipment	58	77
Auditors' remuneration	540	541
Pension costs	2,640	3,160
Government grants	<u>-</u>	<u>(935)</u>

4. EXCEPTIONAL ITEMS

Profit on sale of revalued properties	<u>£37,662</u>	<u>£97,392</u>
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5. OTHER INCOME

Other interest receivable :

Loan interest	1,960	2,710
Interest	<u>141</u>	<u>891</u>
	<u>£2,101</u>	<u>£3,601</u>

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Charge for taxation based on profit for the year :

Corporation tax @ 33 % (1996 33%)	7,500	14,600
Corporation tax on sale of assets	8,968	32,052

Adjustment in respect of previous years :

General income	-	(18)
Sale of fixed assets	(25,000)	(15,155)
Interest on tax	<u>175</u>	<u>-</u>
	<u>£(8,357)</u>	<u>£31,479</u>

7. DIVIDENDS

Preference (non equity shares) 4.2% (1996 - 4.2%)	880	880
Ordinary (equity shares) 28.88% (1996 - 57.11%)	<u>15,047</u>	<u>29,753</u>
	<u>£15,927</u>	<u>£30,633</u>



THE GREEN MOUNT ESTATE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997

8.	<u>TANGIBLE FIXED ASSETS</u>	<u>1997</u>	<u>1996</u>
	<u>Freehold and Long Leasehold Property</u>		
	Cost at 29th February 1996	603,955	601,848
	Additions during the year at cost	<u>6,186</u>	<u>2,462</u>
		610,141	604,310
	Sales during the year at cost	<u>14,099</u>	<u>355</u>
		596,042	603,955
	Surplus on revaluation of properties	<u>1,483,708</u>	<u>1,601,795</u>
	At open market value at 28th February 1997	<u>£2,079,750</u>	<u>£2,205,750</u>
	<u>Furniture and Equipment</u>		
	Cost at 28th February 1997	<u>£8,155</u>	<u>£8,155</u>
	Depreciation at 29th February 1996	7,923	7,846
	Charge for the year	<u>58</u>	<u>77</u>
	Depreciation at 28th February 1997	<u>£7,981</u>	<u>£7,923</u>
	Net Book Value at 28th February 1997	<u>£174</u>	<u>£232</u>
	<u>Summary</u>		
	Freehold and long leasehold property	2,079,750	2,205,750
	Furniture and equipment	<u>174</u>	<u>232</u>
		<u>£2,079,924</u>	<u>£2,205,982</u>
9.	<u>INVESTMENTS</u>		
	<u>Quoted</u>		
	I.O.M. Assurance Ltd. Holiday Property Bond		
	Market value £26,200 (1996 £28,465)	<u>£40,000</u>	<u>£40,000</u>

THE GREEN MOUNT ESTATE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997

10.	<u>DEBTORS</u>	<u>1997</u>	<u>1996</u>
	Amounts falling due within one year :		
	Loan unsecured	35,000	40,000
	Holding Company current account	649,616	489,385
	Rents receivable	6,232	4,434
	Others	<u>9,572</u>	<u>13,211</u>
		<u>£700,420</u>	<u>£547,030</u>
11.	<u>OTHER CREDITORS</u>		
	Accruals and rents in advance	17,081	5,038
	Corporation tax	<u>56,233</u>	<u>81,421</u>
		<u>£73,314</u>	<u>£86,459</u>
12.	<u>PROVISION FOR LIABILITIES AND CHARGES</u>		
	<u>Deferred Taxation</u>		
	Tax on capital gains on disposal of properties at balance sheet value	<u>£191,662</u>	<u>£223,749</u>
	The movement in the provision during the year comprises :		
	At 29th February 1996	223,749	269,650
	Increase (Decrease) in provision	1,444	(16,153)
	Previous provision realised in year	<u>(33,531)</u>	<u>(29,748)</u>
		<u>£191,662</u>	<u>£223,749</u>
13.	<u>CALLED UP SHARE CAPITAL</u>		
	<u>Authorised</u>		
	<u>Non-Equity Shares</u>		
	540 4.2% cumulative preference shares of £50 each	27,000	27,000
	<u>Equity Shares</u>		
	73,055 ordinary shares of £1 each	<u>73,055</u>	<u>73,055</u>
		<u>£100,055</u>	<u>£100,055</u>
	<u>Allotted, Issued and Fully Paid</u>		
	419 4.2% cumulative preference shares of £50 each	20,950	20,950
	52,100 ordinary shares of £1 each	<u>52,100</u>	<u>52,100</u>
		<u>£73,050</u>	<u>£73,050</u>

THE GREEN MOUNT ESTATE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997

13. CALLED UP SHARE CAPITAL Contd.

The Preference Shares are entitled to a fixed cumulative annual dividend of 4.2% in priority to any dividend payable to the ordinary shareholders.

On a winding up of the Company the Preference Shares are repayable at par in priority to any repayment of funds to the ordinary shareholders.

The Preference Shares do not entitle the holders to vote upon any resolution (other than a resolution for winding up the Company or reducing its share capital or a resolution varying or abrogating any special rights attached to such shares) unless at the date of the notice convening the Meeting at which such resolution is to be proposed the dividend on the Preference Shares is six months in arrears.

14. RESERVES

	<u>Property Revaluation Reserve</u>	<u>Capital Reserve</u>	<u>Profit and Loss Account</u>	<u>Total</u>
At 29th February 1996	1,378,046	958,085	73,623	2,409,754
Transfer profit & loss account			53,694	53,694
Revaluation Surplus	20,314			20,314
- deferred tax	(1,444)			(1,444)
Past revaluations realised	(138,401)	138,401		-
- deferred tax	33,531	(33,531)		-
Surplus on sale of revalued assets		37,662	(37,662)	-
- corporation tax	-	16,032	(16,032)	-
At 28th February 1997	<u>£1,292,046</u>	<u>£1,116,649</u>	<u>£73,623</u>	<u>£2,482,318</u>

15a. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
Profit for the financial year	69,621	111,128
Dividends	<u>15,927</u>	<u>30,633</u>
	53,694	80,495
Unrealised profit on revaluation of properties	<u>18,870</u>	<u>(16,309)</u>
Net addition to shareholders' funds	72,564	64,186
Opening shareholders' funds	<u>2,482,804</u>	<u>2,418,618</u>
Closing shareholders' funds	<u>£2,555,368</u>	<u>£2,482,804</u>

15b. SHAREHOLDERS' FUNDS

Shareholders' funds are comprised of :

Equity interests	2,534,418	2,461,854
Non equity interests	<u>20,950</u>	<u>20,950</u>
	<u>£2,555,368</u>	<u>£2,482,804</u>

THE GREEN MOUNT ESTATE COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY 1997

16. POST BALANCE SHEET EVENTS

There are no events arising since the date of the Balance Sheet which require comment.

17. CAPITAL COMMITMENTS

There are no capital commitments authorised by the directors at 28th February 1997.

18. RELATED PARTY DISCLOSURES

Using the exemption available to subsidiary companies related party transactions with Group Companies have not been disclosed.

19. COMPANY STATUS

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

20. HOLDING COMPANY

The Company is a subsidiary of The Hollins Murray Group Limited, a Company incorporated in England and Wales.

THE GREEN MOUNT ESTATE COMPANY LIMITED

RENTAL ACCOUNT FOR THE YEAR ENDED 28TH FEBRUARY 1997

	<u>1997</u>	<u>1996</u>
Rents receivable	139,539	138,600
<u>Deduct Expenses :</u>		
Heating	2,714	1,303
General and water rates	2,955	2,243
Repairs and renewals	34,959	22,482
Service charge payable	26,175	10,003
Garden upkeep	4,970	9,646
Windows and common parts cleaning	692	1,712
Insurance	1,899	1,976
Agents' commission	19,391	15,719
Chief rents payable	186	290
Sundry expenses	1,611	2,035
Depreciation	<u>58</u>	<u>77</u>
	<u>95,610</u>	<u>67,486</u>
RENTAL PROFIT FOR THE YEAR	<u>£43,929</u>	<u>£71,114</u>

Administrative Expenses :

Legal and professional fees	-	2,187
Pension	2,640	3,160
Management charges	19,117	23,491
General expenses	131	121
Audit fee	<u>540</u>	<u>541</u>
	<u>£22,428</u>	<u>£29,500</u>