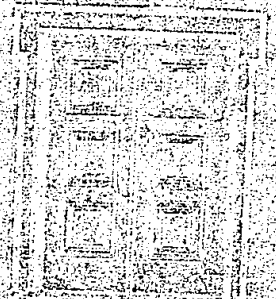
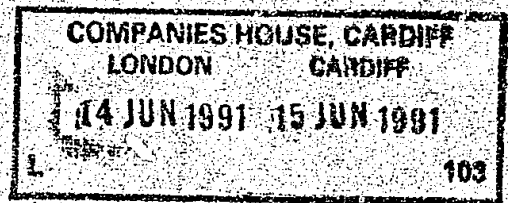


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ROUTLEDGE & GOAD LIMITED

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FINANCIAL STATEMENTS -- 30 JUNE 1990

TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

ROUTLEDGE & GOAD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 1990

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 30 June 1990.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW:

The principal activity of the company continues to be the leasing of warehouses to third parties.

Turnover decreased by £1,173,284 during the year as a result of the change in the nature of trading (see note 8). The loss on ordinary activities before taxation increased by £8,841.

RESULTS AND DIVIDENDS:

Results are as follows-

Retained profit at 1 July 1989	£ 357,129
Profit for the year after taxation	20,301
Ordinary dividends paid	(40,000)

Retained profit at 30 June 1990	£ 337,430
	=====

DIRECTORS AND THEIR INTERESTS:

The directors who served during the year together with their interests in the shares of the company were-

	<u>Ordinary shares of £1 each</u>	
	<u>30 June 1990</u>	<u>1 July 1989</u>
Robert J. Goad	18,725	18,725
Francoise Goad	6,375	6,375
	=====	=====

DIRECTORS' REPORT (Continued)

FIXED ASSETS:

Information relating to changes in tangible fixed assets is given in Note 10 to the financial statements.

In the opinion of the directors, the book value of land and buildings which has been revalued in the current year by a director of the company approximates to market value.

CLOSE COMPANY STATUS:

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

AUDITORS:

The directors will place a resolution before the annual general meeting to re-appoint Arthur Andersen & Co. as auditors for the ensuing year.

BY ORDER OF THE BOARD,

19 Ely Road
Stretham
Ely
Cambridgeshire
CB6 3JJ



Francoise Goad
Secretary

15 November 1990

Arthur Andersen & Co.

Bejeman House · 104 Hills Road
Cambridge CB2 1LH

Auditors' Report to the Members of ROUTLEDGE & GOAD LIMITED:

We have audited the financial statements on pages 4 to 13 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 30 June 1990 and of its profit and source and application of funds for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Arthur Andersen & Co

15 November 1990

ROUTLEDGE & GOAD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
TURNOVER	1e&2	£ 164,881	£ 1,338,165
Cost of sales		-	(998,625)
GROSS PROFIT		154,881	339,540
Other operating expenses (net)	3	(183,411)	(354,755)
OPERATING (LOSS)		(18,530)	(15,215)
Interest receivable		896	12,260
Interest payable and similar charges	4	(5,588)	(11,426)
LOSS PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	(23,222)	(14,381)
Tax on loss on ordinary activities	1c&7	43,523	390
PROFIT/(LOSS) BEFORE EXTRAORDINARY ITEM		20,301	(13,991)
Extraordinary item less taxation	5	-	30,226
PROFIT FOR THE FINANCIAL YEAR		20,301	16,235
Dividend paid and proposed	9	(40,000)	(92,000)
RETAINED LOSS FOR THE YEAR		(19,699)	(75,765)
RETAINED PROFIT, beginning of year		357,129	432,894
RETAINED PROFIT, end of year		£ 337,430	£ 357,129

The accompanying notes are an integral part of this profit and loss account.

ROUTLEDGE & GOAD LIMITED

BALANCE SHEET -- 30 JUNE 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
FIXED ASSETS			
Tangible assets	1b&10	£1,379,511	£ 541,179
CURRENT ASSETS			
Debtors	11	38,362	95,434
Cash at bank and in hand		25,258	44,908
		63,620	140,342
CREDITORS: Amounts falling due within one year	12	(97,523)	(116,892)
NET CURRENT (LIABILITIES) ASSETS		(33,903)	23,450
TOTAL ASSETS LESS CURRENT LIABILITIES		1,345,608	564,629
CREDITORS: Amounts falling due after more than one year	13	-	(12,500)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(263,918)	(145,000)
NET ASSETS		£1,081,690	£ 407,129
CAPITAL AND RESERVES			
Called-up share capital	15	£ 25,100	£ 25,100
Capital redemption reserve	16	24,900	24,900
Revaluation reserve	16	694,260	-
Profit and loss account	16	337,430	357,129
TOTAL CAPITAL EMPLOYED		£1,081,690	£ 407,129

SIGNED ON BEHALF OF THE BOARD

R.J. Goad

F.M. Goad

) Directors

15 November 1990

The accompanying notes are an integral part of this balance sheet.

ROUTLEDGE & GOAD LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 30 JUNE 1990

	<u>1990</u>	<u>1989</u>
SOURCE OF FUNDS		
Profit on ordinary activities after taxation and extraordinary item	£ 20,301	£ 16,235
Add/(deduct) items not involving the movement of funds		
- depreciation	29,577	48,212
- loss on disposal of tangible fixed assets	(3,450)	(46,655)
- decrease in deferred taxation	(54,731)	(18,000)
	-----	-----
Total funds from operations	(8,303)	(208)
Proceeds from disposal of tangible fixed assets	3,450	112,000
Decrease in net current assets, as shown below	69,853	5,208
	-----	-----
	£ 65,000	£ 117,000
	=====	=====
APPLICATION OF FUNDS		
Funds from other sources		
Dividend paid on ordinary shares	£ 40,000	£ 92,000
Repayment of long-term loans	25,000	25,000
	-----	-----
	£ 65,000	£ 117,000
	=====	=====
DECREASE IN NET CURRENT ASSETS		
Stocks	£ -	£ (33,814)
Debtors	(57,072)	(122,247)
Creditors falling due within one year (other than bank loans and overdraft)	6,869	223,679
	-----	-----
	(50,203)	67,618
Movement in net liquid funds		
- bank loans and overdraft	-	82,652
- cash at bank and in hand	(19,650)	(155,478)
	-----	-----
	£ (69,853)	£ (5,208)
	=====	=====

The accompanying notes are an integral part of this statement.

ROUTLEDGE & GOAD LIMITED

NOTES TO FINANCIAL STATEMENTS -- 30 JUNE 1990

1. ACCOUNTING POLICIES:

The principal accounting policies, all of which have been applied consistently throughout the year and with the preceding year, are set out below -

a) Basis of accounting

The financial statements are prepared under the historical cost convention modified to include the revaluation of land and buildings.

b) Tangible fixed assets

Fixed assets other than properties held for investment purposes are shown at original historical cost less accumulated depreciation.

Depreciation is provided at rates calculated to write-off the cost of fixed assets on a straight-line basis over their estimated useful lives, as follows-

Plant and machinery	-	10 to 15 years
Motor vehicles	-	4 to 10 years
Office equipment	-	7 years

In accordance with SSAP 19, investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the revaluation reserve. Deficits in excess of prior revaluation surpluses on the same property are charged to the profit and loss account. Depreciation is not provided in respect of freehold investment properties. The directors consider that this accounting policy is necessary to provide a true and fair view.

c) Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Advance corporation tax payable on dividends paid or provided for is written off except when recoverability against corporation tax payable is considered to be reasonably assured. Credit is taken for advance corporation tax written off in previous years when it is recovered against corporation tax liabilities.

Deferred taxation (which arises from differences in the timing of the recognition of items principally depreciation, in the financial statements and by the tax authorities) has been calculated using the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates likely to be in force at the time of reversal.

Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

NOTES TO FINANCIAL STATEMENTS (Continued)

d) Pension costs

It is the general policy of the company to provide for pension liabilities on a going concern basis, on the advice of external actuaries. Independent actuarial valuations on a going concern basis are carried out every three years. The amount charged to the profit and loss account is calculated so as to produce a substantially level percentage of the current and future pensionable payroll.

e) Turnover

Turnover comprises amounts received as rental income from the lease of warehouses.

f) Revaluation reserve

Surpluses arising on the revaluation of individual tangible fixed assets are credited to a non-distributable reserve known as the revaluation reserve. Revaluation deficits in excess of the amount of prior revaluation surpluses on the same asset are charged to the profit and loss account.

2. SEGMENT INFORMATION:

Contributions to turnover were as follows:

By activity (all derived within the United Kingdom):

	<u>1990</u>	<u>1989</u>
Corn merchant activities	£ -	£1,269,907
Storage	164,881	68,258
	-----	-----
	£ 164,881	£1,338,165
	=====	=====

3. OTHER OPERATING EXPENSES (NET):

	<u>1990</u>	<u>1989</u>
Selling and distribution costs	£ 14,958	£ 55,472
Administrative expenses	168,453	299,283
	-----	-----
	£ 183,411	£ 354,755
	=====	=====

4. INTEREST PAYABLE AND SIMILAR CHARGES:

	<u>1990</u>	<u>1989</u>
On bank loans and overdraft		
- repayable within five years, by instalments	£ 4,621	£ 8,278
- repayable within five years, not by instalments	967	3,148
	-----	-----
	£ 5,588	£ 11,426
	=====	=====

NOTES TO FINANCIAL STATEMENTS (Continued)

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

Profit on ordinary activities before taxation
is stated after charging-

	<u>1990</u>	<u>1989</u>
a) Depreciation of tangible fixed assets	£ 29,577	£ 48,212
b) Auditors' remuneration	4,000	6,000
c) Staff costs (see Note 6)	26,262	121,386
	=====	=====

6. STAFF COSTS:

Particulars of employees (including executive directors) are shown below.

Employee costs during the year amounted to-

	<u>1990</u>	<u>1989</u>
Wages and salaries	£ 24,492	£ 89,770
Social security costs	1,770	30,841
Other pension costs	-	775
	-----	-----
	£ 26,262	£ 121,386
	=====	=====

The average weekly number of persons employed by the company during the year was as follows-

	<u>Number</u>	<u>Number</u>
Production and distribution	-	2
Sales	-	2
Administration	3	7
	===	===

Directors' remuneration-

The directors remuneration was paid in respect of directors of the company, as follows-

	<u>1990</u>	<u>1989</u>
Emoluments (including pensions and pension pension contributions)	£ 11,700	£ 40,675
	=====	=====

The directors' remuneration shown above (excluding pensions and pension contributions) included-

Chairman	£ 3,850	£ 28,050
	=====	=====
Highest paid director	£ 7,850	£ 28,050
	=====	=====

NOTES TO FINANCIAL STATEMENTS (Continued)

6. STAFF COSTS (Continued):

	<u>Number</u>	<u>Number</u>
Other directors received emoluments (excluding pension contributions) in the following ranges-		
£10,001 - £15,000	-	1
	=====	=====

7. TAX ON PROFIT ON ORDINARY ACTIVITIES:

The tax credit is based on the profit for the year and comprises-

	<u>1990</u>	<u>1989</u>
Corporation tax at 25% (1989 - 35%)	£ (8,995)	£ (6,610)
Deferred taxation credit arising from		
- capital allowances	44,749	18,000
- other timing differences	9,982	-
	-----	-----
	45,736	11,390
Adjustment of current taxation in respect of prior years	(2,213)	(11,000)
	-----	-----
	£ 43,523	£ 390
	=====	=====

8. EXTRAORDINARY ITEMS LESS TAXATION:

	<u>1990</u>	<u>1989</u>
Extraordinary income		
- Profit on disposal of fixed assets	£ -	£ 46,655
Extraordinary charge		
- Redundancy cost	-	(3,942)
	-----	-----
	-	42,713
Taxation on the above	-	(12,487)
	-----	-----
Extraordinary gain after tax	£ -	£ 30,226
	=====	=====

The extraordinary gain and the redundancy cost in the prior year arise from the termination of the seed and grain merchant business of Routledge & Goad Limited in January 1989.

9. DIVIDEND PAID AND PROPOSED:

	<u>1989</u>	<u>1988</u>
Ordinary dividend paid - £1.59 per share (1989 - £3.66)	£ 40,000	£ 92,000
	=====	=====

NOTES TO FINANCIAL STATEMENTS (Continued)

10. TANGIBLE FIXED ASSETS:

The movement in the year was as follows-

	<u>Freehold land and buildings</u>	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Total</u>
COST-					
Beginning of year	£571,158	£ 29,158	£ 79,911	£ 62,899	£ 743,126
Revaluation	778,842	-	-	-	778,842
Disposals	-	(8,500)	(16,056)	(4,979)	(29,535)
End of year	1,350,000	20,658	63,855	57,920	1,492,433
DEPRECIATION-					
Beginning of year	78,524	25,342	54,506	43,575	201,947
Charge	10,543	2,399	9,084	7,551	29,577
Disposals	-	(8,500)	(16,056)	(4,979)	(29,535)
Revaluation	(89,067)	-	-	-	(89,067)
End of year	-	19,241	47,534	46,147	112,922
NET BOOK VALUE					
Beginning of year	£492,634	£ 3,816	£ 25,405	£ 19,324	£ 541,179
NET BOOK VALUE					
End of year	£1,350,000	£ 1,417	£ 16,321	£ 11,773	£1,379,511

Freehold land and buildings with a historic cost of £571,158 are included in the accounts at the valuation of £1,350,000 arising from the change in classification to Investment Properties under Statement of Standard Accounting Practice No. 19. This revaluation was performed as at 30 June 1990 by Robert Goad, a director of the company, on an open market basis. The original cost, and accumulated depreciation based on cost of land and buildings is:

Historic cost	£ 571,158
Accumulated depreciation based on cost	(89,067)
Net book value based on cost	£ 482,091

11. DEBTORS:

The following are included in the net book value of debtors-

	<u>1990</u>	<u>1989</u>
Amounts falling due within one year-		
Trade debtors	£ 11,256	£ 22,859
VAT	-	157
Other debtors	-	13,092
Prepayments and accrued income	7,453	-
- ACT recoverable	16,153	11,815
- Corporation tax recoverable	3,500	-
- other	-	47,511
	£ 38,362	£ 95,434

NOTES TO FINANCIAL STATEMENTS (Continued)

12. CREDITORS- AMOUNTS FALLING DUE WITHIN ONE YEAR:

The following amounts are included in creditors falling due within one year-

	1990	1989
Current portion of bank loans (Note 13)	£ 12,500	£ 25,000
Payments received on account	43,903	-
Trade creditors	19,928	61,145
ACT on dividend paid	10,000	23,334
VAT	6,905	-
Accruals	4,287	7,413
	-----	-----
	£ 97,523	£116,892
	=====	=====

The company has granted a fixed and floating charge on all its assets to secure bank loans and overdrafts.

13. CREDITORS- AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:

The following amounts are included in creditors falling due after more than one year-

Borrowings due wholly by instalment-

	1990	1989
Bank loan repayable by quarterly instalments of £6,250 beginning 28 February 1983 secured on all the assets of the company and bearing interest at 3% above the bank's base rate	£ 12,500	£ 37,500
	-----	-----
	12,500	37,500
Less repayments due before 30 June 1991 included in creditors falling due within one year (Note 12)	(12,500)	(25,000)
	-----	-----
	£ -	£12,500
	=====	=====

14. PROVISIONS FOR LIABILITIES AND CHARGES:

This represents the provision for deferred taxation on all timing differences calculated at 25% or at 35% (1989 - 35%) and comprises-

	1990	1989
Excess of tax allowances over book depreciation of fixed assets	£ 263,918	£ 145,000
	=====	=====
The movement on deferred taxation comprises-		
Beginning of year	£ 145,000	£ 163,000
(Credited) charged to profit and loss, in respect of		
- capital allowances	(44,749)	(18,000)
- other timing differences	(9,982)	-
(Credited) charged to the Revaluation reserve		
- deferred tax on revalued assets	173,649	-
	-----	-----
End of year	£ 263,918	£ 145,000
	=====	=====

NOTES TO FINANCIAL STATEMENTS (Continued)

14. PROVISIONS FOR LIABILITIES AND CHARGES (Continued):

The rate at which deferred tax has been calculated in the current year on capital allowances and other timing differences has been changed from 35% to 25%. This is because the company now, and for the foreseeable future, will qualify as a small company for corporation tax purposes. The effect of this change in rates is to increase the credit to the Profit and Loss Account by £35,757. Deferred tax has however been calculated at 35% on the revaluation surplus arising in the current year and deducted from that surplus in arriving at the Revaluation Reserve (see Note 16).

15. CALLED-UP SHARE CAPITAL:

	<u>1990</u>	<u>1989</u>
Authorised, allotted, called-up and fully-paid-		
25,100 (1988 - 25,100) ordinary shares of £1 each	£ 25,100	£ 25,100
	-----	-----
	£ 25,100	£ 25,100
	=====	=====

16. RESERVES:

Of total reserves shown in the balance sheet, the following amounts are regarded as distributable or otherwise-

	<u>1990</u>	<u>1989</u>
Distributable		
-profit and loss account	£ 337,430	£ 357,129
Non-distributable		
- capital redemption reserve	24,900	24,900
- revaluation reserve	743,874	-
	-----	-----
	£1,106,204	£ 382,029
	=====	=====

The movement on reserves was as follows:-

	<u>Revaluation Reserve</u>	<u>Capital Redemption Reserve</u>	<u>Profit and Loss Account</u>	<u>Total Reserves</u>
Beginning of year	£ -	£ 24,900	£ 357,129	£ 382,029
Movement for year	694,260	-	(19,699)	724,175
	-----	-----	-----	-----
End of year	£694,260	£ 24,900	£ 337,430	£1,106,204
	=====	=====	=====	=====

17. PENSION ARRANGEMENTS:

The company operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £Nil (1989 - £Nil).

The pension scheme is fully funded.