

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

Company No: 1157596

FINANCIAL STATEMENTS

for the year ended

31ST MARCH 1995



**COHEN ARNOLD & CO
CHARTERED ACCOUNTANTS
LONDON W1X 2JP**

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS

Mr Hasias Laufer
Mr Samuel Berger
Mrs Sara Rachel Klein
Mrs Zelda Sternlicht

SECRETARY

Mr Sighismond Berger

REGISTERED OFFICE

13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

AUDITORS

Cohen Arnold & Co
13-17 New Burlington Place
Regent Street
LONDON W1X 2JP

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

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DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the audited Financial Statements of the Group for the year ended 31 March 1995.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the Group is Property Investment which remained unchanged during the year and no change is envisaged in the immediate future.

RESULTS AND DIVIDEND

The financial results of the Group's activities for the year ended 31 March 1995, are fully reflected in the attached Financial Statements together with the Notes thereon.

No dividends were paid during the year.

FIXED ASSETS

The movements in Fixed Assets are fully reflected in Notes 11 and 12 to the Financial Statements.

LAND AND BUILDINGS

The Group's investment properties are included in the Balance Sheet at cost.

The Directors are of the opinion that the open market value of each of the Group's investment properties is at least equal to the amount at which it is included in the Financial Statements.

DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL

The Directors during the year were as follows:

Mr Hasias Laufer
Mr Samuel Berger
Mrs Sara Rachel Klein (Appointed 17 January 1995)
Mrs Zelda Sternlicht (Appointed 17 January 1995)

The interests of the Directors and their families in the Share Capital of the Company are as follows:

	Number of Ordinary Shares	
	1995	1994
Mr Sighismond Berger	148	148
Estate of Gerson Berger	13	13
Brucha Berger	3	3

In addition, 2,829 shares are held jointly by Abraham Klein, Berish Berger and Milton Gross and 1,000 shares by Gerson Berger Association Limited, a Charity Company, of which the Directors of this Company are Governors.

The Articles of Association do not require Directors to retire by rotation.

No Directors has a Service Contract with the Company.

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT

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 Group and of its profit or loss for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONATIONS

During the year the Group made no charitable donation nor political contribution.


CLOSE COMPANY

The Group is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



.....
Sighismond Berger - Secretary

23rd November 1995

REPORT OF THE AUDITORS' COHEN ARNOLD & CO.

TO THE MEMBERS

- OF -

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

We have audited the Financial Statements on pages 4 to 13 which have been prepared under the historical cost convention and the Accounting Policies set out in Note 1.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As indicated in the Directors' Report, 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 the Financial Statements and to report our opinion to you.

BASIS OF OPINION

We have 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 by the Directors in the preparation of the Financial Statements and of whether the accounting policies are appropriate to the Group'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 and to give reasonable assurance that the Financial Statements are free from material mis-statement, 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.

QUALIFIED OPINION ARISING FROM DEPARTURE FROM ACCOUNTING TREATMENT

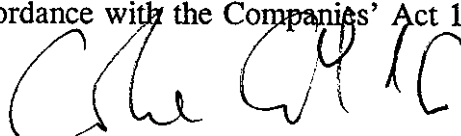
The Group's investment properties are included in the Financial Statements on the basis indicated in Note 1 on Accounting Policies. This does not comply with the requirements of Statement of Standard Accounting Practice No. 19 which requires such properties to be stated at their open market value. However, as stated in their report, the directors are of the opinion that each of the Group's investment properties has an open market value at least equal to the amount at which it is included in the Financial Statements.

Included in the debtors shown on the balance sheet are amounts totalling £2.4m due from a number of companies. The Group Companies have no security for this debt. In our opinion, the Group Companies are unlikely to receive any payment and full provision of £2.4m should have been made, reducing Group profit before tax and net assets by that amount.

Except for non-compliance with the requirements of Statement of Standard Accounting Practice No. 19, and the absence of the provisions of £2.4m in our opinion the Financial Statements give a true and fair view of the state of affairs of the Company and the Group at 31 March 1995. In all other respects the Financial Statements have been properly prepared in accordance with the Companies' Act 1985.

London

Date: 23 November 1995



COHEN ARNOLD & CO
Chartered Accountants and
Registered Auditor

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES**CONSOLIDATED PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 1995**

	Notes	<u>1995</u> £'000	<u>1994</u> £'000
Net Rental Income	3	420	304
Administrative and Other Expenses	4	(203)	(86)
		<hr/>	<hr/>
OPERATING PROFIT		217	218
Surplus on Sale of Investments	5	90	137
Premium on Lease Extension		7	22
Income from Investments		15	13
Interest Receivable		12	17
Interest Payable	6	(12)	(26)
Exceptional Items	7	-	(366)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		329	15
Taxation	9	(98)	(109)
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		231	(94)
Minority Interest		(5)	8
Dividends Paid	10	-	(302)
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE YEAR		226	(388)
Retained Profit Brought Forward		3,396	3,784
		<hr/>	<hr/>
<u>RETAINED PROFIT CARRIED FORWARD</u>		£3,622	£3,396
		<hr/> <hr/>	<hr/> <hr/>

None of the Group's activities was acquired or discontinued during the financial year nor in the previous year.

The Group has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.


The notes on pages 7 to 13 form part of these financial statements.

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 1995

	Notes	£'000	<u>1995</u> £'000	<u>1994</u> £'000	£'000
FIXED ASSETS					
Tangible Assets	11	684		793	
Investments	12	132		132	
			816		925
CURRENT ASSETS					
Debtors	13	3,715		3,488	
Cash at Bank		362		506	
			4,077	3,994	
CREDITORS: Amounts Falling Due Within One Year	14	1,159		1,423	
NET CURRENT ASSETS			2,918		2,571
			<u>£3,734</u>		<u>£3,496</u>
SHARE CAPITAL AND RESERVES					
Called-up Share Capital	15		4		4
Profit and Loss Account	16		3,629		3,396
			3,633		3,400
Minority Interests			101		96
			<u>£3,734</u>		<u>£3,496</u>

The Financial Statements were approved by the board on 22nd November 1995 and signed on its behalf by




 Director - Hasias Laufer

The notes on pages 7 to 13 form part of these financial statements.

MIKEMOLE LIMITED**BALANCE SHEET AS AT 31 MARCH 1995**

		<u>1995</u>		<u>1994</u>	
	Notes	£	£	£	£
FIXED ASSETS					
Investments	12	4,893		4,893	
			4,893		4,893
CURRENT ASSETS					
Debtors	13	5,220		5,220	
Cash at Bank and in Hand		6,390		9,336	
			11,610		14,556
CREDITORS: Amounts falling due within one year	14	(12,442)		(12,441)	
NET CURRENT (LIABILITIES)/ASSETS			(832)		2,115
NET ASSETS/(LIABILITIES)			£4,061		£7,008
CAPITAL AND RESERVES					
Called up Share Capital	15		3,993		3,993
Profit and Loss Account			68		3,015
			£4,061		£7,008

The Financial Statements were approved by the board on 23rd November 1995 and signed on its behalf by



 Director - Hasias Laufer

The notes on pages 7 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Group's Financial Statements.

1.1 BASIS OF ACCOUNTING

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards except for the policy of accounting for investment properties referred to in note 1.2 below.

1.2 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.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost of the tangible assets over their estimated useful lives:-

Leasehold properties	Straight line over the life of the lease
Furniture, Fittings and equipment	10% Reducing Balance

1.4 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.

1.5 CASH FLOW STATEMENT

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No 1) on the basis of its being a "small company" as defined by Section 247 Companies Act 1985.

2. FORMAT OF FINANCIAL STATEMENTS

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Group's activities.

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

3. TURNOVER

Turnover of the Group is represented by Rents and Charges Received in respect of its Investment Properties.

The Net Rental Income is comprised as follows:

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Rents and Charges Receivable	1,009	855
Property Outgoings	589	551
	<hr/>	<hr/>
	£420	£304
	<hr/>	<hr/>

4. ADMINISTRATION EXPENSES

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Directors' Remuneration	127	25
Employer's National Insurance	1	2
Auditors' Remuneration	54	46
Secretary's Remuneration	-	-
Legal and Professional Fees	9	-
Office and Administration Costs	1	3
Sundry Expenses	11	10
	<hr/>	<hr/>
	£203	£86
	<hr/>	<hr/>

5. SURPLUS ON SALE OF INVESTMENT

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Surplus on Disposal of Investment Property	90	136
Surplus on Disposal of Listed Shares	-	1
	<hr/>	<hr/>
	£90	£137
	<hr/>	<hr/>

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

6. INTEREST PAYABLE AND RELATED COSTS

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Bank Loans and Overdrafts	11	14
Interest on Overdue Tax	1	12
	<hr/>	<hr/>
	£12	£26
	<hr/>	<hr/>

7. EXCEPTIONAL ITEM

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
Provision for Bad Debts	-	330
Amount Written Off Listed Investments	-	36
	<hr/>	<hr/>
	£ -	£ 366
	<hr/>	<hr/>

8. GROUP PROFIT

The Holding Company has no income of its own.

9. TAXATION

	<u>1995</u> <u>£'000</u>	<u>1994</u> <u>£'000</u>
UK Corporation Tax at 33% based upon		
Taxable Profits for the Year	97	104
Prior Year Taxation Adjustment	(2)	(2)
Tax on F.I.I.	3	3
Tax on Apportionment S423 ICTA 88	-	4
	<hr/>	<hr/>
	£98	£109
	<hr/>	<hr/>

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

10. DIVIDENDS

	<u>1995</u>		<u>1994</u>	
	Group	Company	Group	Company
	£	£	£	£
Interim Dividend Paid	£ -	£ -	£ 301,782	£ 295,482
	<hr/>	<hr/>	<hr/>	<hr/>

11. FIXED ASSETS: THE GROUP

	Freehold Properties £'000	Leasehold Properties £'000	Furniture, Fittings, and Office Equipment £'000	Total £'000
<u>Cost:</u>				
At 1 April 1994	724	105	32	857
Disposals	(101)	(5)	-	(106)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1995	£623	£100	£32	£751
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation:</u>				
At 1 April 1994	-	38	30	68
Charge for Year	-	1	2	3
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1995	£ -	£39	£32	£71
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Book Value at:</u>				
31 March 1994	£724	£67	£2	£793
	<hr/>	<hr/>	<hr/>	<hr/>
31 March 1995	£623	£61	£ -	£684
	<hr/>	<hr/>	<hr/>	<hr/>

The Company has no fixed assets of its own.

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

12. INVESTMENTS

	The Group £'000	The Company £'000
Cost 31 March 1994	132	-
Investment in Subsidiaries	-	4
	<hr/>	<hr/>
Cost 31 March 1995	£132	£4
	<hr/>	<hr/>

The Mid Market Value of the listed investment held are as follows:

	Cost	Mid-Market Value
31 March 1995	£131,959	£339,888
	<hr/>	<hr/>
31 March 1994		£342,014
		<hr/>

13. DEBTORS

	<u>1995</u>		<u>1994</u>	
	Group £'000	Company £'000	Group £'000	Company £'000
Rent and Service Charges				
Receivable	245	-	154	-
Other Debtors and				
Prepayments	65	-	108	-
Loan Debtors	3,331	5	3,143	5
Taxation Recoverable	74	-	83	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£3,715	£5	£3,488	£5
	<hr/>	<hr/>	<hr/>	<hr/>

Included in loan debtors above are sums whose recoverability may be in doubt as there could be defences to claims for their recovery.

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1995</u>		<u>1994</u>	
	Group £'000	Company £'000	Group £'000	Company £'000
Corporation Tax	81	-	88	-
Other Taxes	31	-	61	-
Bank Loans and Overdrafts	14	-	5	-
Amount due to Group Undertaking	-	8	-	8
Loan Creditors	867	1.5	949	1.5
Sundry Creditors and Accruals	166	2.9	320	2.9
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,159	£12.4	£1,423	£12.4
	<hr/>	<hr/>	<hr/>	<hr/>

Included in loan debtors above are sums whose recoverability may be in doubt as there could be defences to claims for their recovery.

15. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£	£
Authorised, Issued and Fully Paid: 3,993 Ordinary Shares of £1 each	£3,993	£3,993
	<hr/>	<hr/>

16. RESERVES

	<u>1995</u>	<u>1994</u>
	Revenue £'000	Revenue £'000
Pre-Acquisition Reserves and Consolidated Adjustments	1,111	1,111
Post Acquisition Reserves	2,265	2,673
	<hr/>	<hr/>
Retained Profits at 1 April 1994	3,376	3,784
Retained (Loss)/Profit for the Year	232	1,104
	<hr/>	<hr/>
	£3,608	£2,680
	<hr/>	<hr/>

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1995

17. INVESTMENT IN SUBSIDIARIES

The Company's direct active subsidiaries, all of which registered in England are as follows:-

Avida (London) Limited
B. Fordyce Limited
B & R Sigmar Limited
Clapham Investments & Mortgage Co. Limited
Cramion Co. Limited
Dexite Co. Limited
Edgecroft Limited
Lousidene Limited
M & M Savant Limited
Malkholme Co. Limited
Marionette Limited
M. Inber Limited
Severnate Co. Limited
Tripmole Limited (Sub-holding Company)

All the above are investment companies.

18. CONTINGENT LIABILITIES

The Group, together with other Companies having common Directors, have given guarantees in respect of the Companies' borrowing from their bankers amounting to £49.65 at 31 March 1995 (1994 - £53.58m).

MIKEMOLE LIMITED AND SUBSIDIARY COMPANIES

REALISATION ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1994

	<u>1994</u>	<u>1993</u>
	£'000	£'000
<u>Properties</u>		
Gross Sale Proceeds	146	192
<u>Deduct: Selling Expenses</u>	<u>6</u>	<u>7</u>
Net Sale Proceeds	140	185
<u>Deduct: Cost of Disposals</u>	<u>4</u>	<u>11</u>
<u>SURPLUS ON DISPOSAL OF PROPERTY</u>	136	174
<u>Listed Investments</u>		
Sale Proceeds	11	-
<u>Deduct: Cost of Disposals</u>	<u>10</u>	<u>-</u>
	<u>1</u>	<u>-</u>
	£137	£174

This page does not form part of the Statutory Financial Statements.