

GRANTLEY COMMODITIES LIMITED

FINANCIAL STATEMENTS

- for the year ended -

31ST MARCH 1996

Company No: 1802015

MORISON STONEHAM
Chartered Accountants
Prudential Buildings
Epsom Road Guildford Surrey GU1 3JW



GRANTLEY COMMODITIES LIMITED

DIRECTORS

M D Knowles
E M Cheevers

SECRETARY

J Knowles

BUSINESS ADDRESS

Grantley House
The Common
Cranleigh
Surrey GU6 84Z

REGISTERED OFFICE

Grantley House
The Common
Cranleigh
Surrey GU6 84Z

ACCOUNTANTS

Morison Stoneham
Chartered Accountants
Prudential Buildings
Epsom Road
Guildford Surrey GU1 3JW

GRANTLEY COMMODITIES LIMITED

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GRANTLEY COMMODITIES LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 March 1996.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of commodity brokers.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

| | <u>Class of share</u> | <u>Number of shares</u> | |
|--------------|-----------------------|-------------------------|-------------|
| | | <u>1996</u> | <u>1995</u> |
| M D Knowles | Ordinary shares | 1 | 1 |
| E M Cheevers | Ordinary shares | 1 | 1 |

SMALL COMPANY DISCLOSURE

In preparing this report, the directors have taken advantage of the special exemptions applicable to small companies on the grounds that the company is small.

Date:

x 20/12/96

By Order of the Board

x J Knowles x
Secretary

GRANTLEY COMMODITIES LIMITED

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED FINANCIAL STATEMENTS OF GRANTLEY COMMODITIES LIMITED

We report on the financial statements for the year ended 31 March 1996 set out on pages 3 to 9.

Respective responsibilities of directors and reporting accountants

As described on the Balance Sheet the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

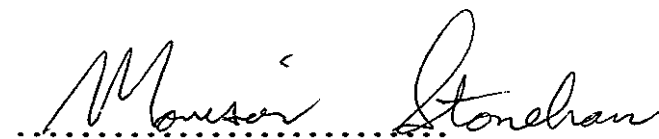
Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).


.....

Reporting Accountants
Chartered Accountants

Date: 20.12.96

Prudential Buildings
Epsom Road
Guildford Surrey GU1 3JW

GRANTLEY COMMODITIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1996

| | Notes | 1996 £ | 1995 £ |
|--|-------|-----------|-----------|
| TURNOVER | | 215,913 | 181,046 |
| Administrative expenses | | (160,263) | (143,315) |
| OPERATING PROFIT | 2 | 55,650 | 37,731 |
| Other interest receivable | | - | 140 |
| Interest payable | | (7,220) | (6,597) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 48,430 | 31,274 |
| Tax on profit on ordinary activities | | (12,725) | (8,331) |
| PROFIT FOR THE FINANCIAL YEAR | | 35,705 | 22,943 |
| Dividends | | (32,000) | (20,960) |
| RETAINED PROFIT FOR THE YEAR | 9 | 3,705 | 1,983 |

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

GRANTLEY COMMODITIES LIMITED

BALANCE SHEET AT 31ST MARCH 1996

| | Notes | £ | 1996 £ | £ | 1995 £ |
|---|-------|----------|-----------------|-----------------|-----------|
| FIXED ASSETS | | | | | |
| Tangible assets | 4 | | 120,577 | | 110,183 |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 42,729 | | 29,549 | |
| Cash at bank and in hand | | 1,066 | | 2,264 | |
| | | | <u>43,795</u> | <u>31,813</u> | |
| CREDITORS: Amounts falling due within one year | 6 | (89,355) | | (60,225) | |
| NET CURRENT LIABILITIES | | | <u>(45,560)</u> | <u>(28,412)</u> | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 75,017 | | 81,771 |
| CREDITORS: Amounts falling due after more than one year | 7 | | (53,649) | | (64,108) |
| | | | <u>21,368</u> | <u>17,663</u> | |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 8 | | 2 | | 2 |
| Profit and loss account | 9 | | 21,366 | | 17,661 |
| | | | <u>21,368</u> | <u>17,663</u> | |

The statements required to be made by the company's directors and the signatures required by the Companies Act 1985 are given on the following page.

The notes on pages 6 to 9 form part of these financial statements.

GRANTLEY COMMODITIES LIMITED

BALANCE SHEET AT 31ST MARCH 1996 (Continued)

The directors have taken advantage of the exemption conferred by section 249A(2) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

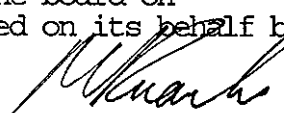
The directors acknowledge their responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its profit or loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

In preparing these financial statements, the directors have taken advantage of the special exemptions applicable to small companies on the grounds that the company is small.

The financial statements were approved
by the board on _____ and
signed on its behalf by _____

x



x)

) Directors

x



x)

The notes on pages 6 to 9 form part of these financial statements.

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents net commission invoiced excluding value added tax.

1.3 DEPRECIATION

Depreciation is provided on all tangible fixed assets to write off the cost less residual value of each asset over their estimated useful lives as follows:

| | |
|--------------------|------------------------------------|
| Motor vehicles | - straight line basis over 3 years |
| Office equipment | - 25% reducing balance |
| Computer equipment | - straight line basis over 5 years |

No depreciation is provided on freehold buildings as it is the company's policy to maintain these so as to extend their useful lives.

1.4 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.5 LEASING AND HIRE PURCHASE

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

1.6 PENSIONS

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

| | | | |
|----|--|-------------------|-------------------|
| 2. | OPERATING PROFIT | 1996 £ | 1995 £ |
| | The operating profit is stated after charging:- | | |
| | Depreciation | 9,375 | 9,327 |
| | Finance charges | 1,307 | 572 |
| | | <u> </u> | <u> </u> |
| 3. | DIRECTORS | 1996 £ | 1995 £ |
| | Directors' emoluments | 49,716 | 41,829 |
| | | <u> </u> | <u> </u> |

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

4. TANGIBLE ASSETS

| | Land and buildings £ | Plant and machinery etc. £ | Total £ |
|--|----------------------------|-------------------------------------|------------|
| <u>Cost</u> | | | |
| At 1 April 1995 | 86,372 | 62,659 | 149,031 |
| Additions | - | 23,896 | 23,896 |
| Disposals | - | (16,511) | (16,511) |
| At 31 March 1996 | 86,372 | 70,044 | 156,416 |
| <u>Depreciation</u> | | | |
| At 1 April 1995 | - | 38,848 | 38,848 |
| Charge for year | - | 9,375 | 9,375 |
| On disposals | - | (12,384) | (12,384) |
| At 31 March 1996 | - | 35,839 | 35,839 |
| <u>Net book value at 31 March 1996</u> | 86,372 | 34,205 | 120,577 |
| <u>Net book value at 31 March 1995</u> | 86,372 | 23,811 | 110,183 |

Included above are assets held under finance leases or hire purchase contracts as follows:-

| | 1996 £ | 1995 £ |
|----------------------------------|-----------|-----------|
| Net book value | 32,645 | 14,441 |
| Depreciation charge for the year | 4,814 | 4,815 |

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

5. DEBTORS

| | 1996 £ | 1995 £ |
|---------------|-----------|-----------|
| Trade debtors | 37,595 | 25,253 |
| Others | 5,134 | 4,296 |
| | 42,729 | 29,549 |

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

| | | | |
|----|---|---------------|---------------|
| 6. | CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 1996 £ | 1995 £ |
| | Bank loans and overdrafts | 22,877 | 10,394 |
| | Other creditors | 66,478 | 49,831 |
| | | <u>89,355</u> | <u>60,225</u> |

| | | | |
|----|--|---------------|---------------|
| 7. | CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | 1996 £ | 1995 £ |
| | Bank loans and overdrafts | 23,063 | 32,816 |
| | Other creditors | 30,586 | 31,292 |
| | | <u>53,649</u> | <u>64,108</u> |

Net obligations under finance leases
and hire purchase contracts

| | | |
|--------------------------------------|---------------|---------------|
| Repayable within one year | 8,166 | 6,333 |
| Repayable between one and five years | 6,585 | 7,292 |
| | <u>14,751</u> | <u>13,625</u> |

The other loans due outside five years not repayable by instalments represents a loan from The Grantley Executive Pension Scheme totalling £24,000 and is repayable by 7th September 1999. The rate of interest on the loan is 3% above base rate and the company has the option to either partially repay the loan or repay in full together with interest before that date.

The bank loan which totals £32,219 is repayable in annual instalments of £12,696. The rate of interest on the loan is 3% over the base rate. The loan is secured by a fixed and floating charge over all the assets of the company.

| | | | |
|----|---|--------------|--------------|
| 8. | SHARE CAPITAL | 1996 £ | 1995 £ |
| | <u>Authorised</u> 1,000 Ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |
| | <u>Allotted, called up and fully paid</u> 2 Ordinary shares of £1 each | <u>2</u> | <u>2</u> |

GRANTLEY COMMODITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

9. PROFIT AND LOSS ACCOUNT

| | 1996 £ | 1995 £ |
|-----------------------------------|-----------|-----------|
| Retained profits at 1 April 1995 | 17,661 | 15,678 |
| Retained profit for the year | 3,705 | 1,983 |
| | <hr/> | <hr/> |
| Retained profits at 31 March 1996 | 21,366 | 17,661 |
| | <hr/> | <hr/> |

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 1996 £ | 1995 £ |
|-------------------------------|-----------|-----------|
| PROFIT FOR THE FINANCIAL YEAR | 35,705 | 22,943 |
| Dividends | (32,000) | (20,960) |
| | <hr/> | <hr/> |
| Opening shareholders' funds | 3,705 | 1,983 |
| | 17,663 | 15,680 |
| | <hr/> | <hr/> |
| CLOSING SHAREHOLDERS' FUNDS | 21,368 | 17,663 |
| | <hr/> | <hr/> |