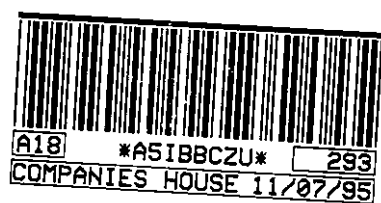


ARUNDEL HOUSE ESTATES LIMITED
ACCOUNTS FOR THE YEAR ENDED
31ST OCTOBER 1994



ARUNDEL HOUSE ESTATES LIMITED

ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 1994

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ARUNDEL HOUSE ESTATES LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST OCTOBER 1994

DIRECTORS

S M GIBSON

N D OGDEN

J POWELL-TUCK (APPOINTED 1.12.93)

J J SAUNDERS

P POWELL-TUCK (RESIGNED 1.12.93)

SECRETARY

C S G JONES

REGISTERED OFFICE

ELTA HOUSE
BIRMINGHAM ROAD
STRATFORD-ON-AVON
WARWICK
CV37 0AQ

AUDITORS

BERKELEY JACKSON
THE OLD MILL
PARK ROAD
SHEPTON MALLET
SOMERSET

SOLICITORS

BEVAN ASHFORD
35 COLSTON AVENUE
BRISTOL
BS1 4TT

BANKERS

BARCLAYS BANK PLC
PORT TALBOT BRANCH
P.O. BOX 350
SWANSEA
SA1 1AW

ARUNDEL HOUSE ESTATES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST OCTOBER 1994

The directors submit their report and the audited accounts for the year ended 31st October 1994.

PRINCIPAL ACTIVITIES

The principal activity of the company throughout the year was the investment in commercial properties.

REVIEW OF THE BUSINESS

The company owns three freehold commercial property sites at Basildon, Newport and Llantrisant which are all let as industrial units. Both the level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

FIXED ASSETS

A valuation of the company's investment properties at current open market value with existing use was carried out as at October 1994 by Cooke and Arkwright Chartered Surveyors and the values arrived at are incorporated in the accounts at that date. The directors are of the opinion that there is no significant difference between the present market value of the company's properties and the amounts at which they are stated in the accounts.

RESULTS AND DIVIDENDS

The profit for the year amounts to £347273 (1993 £335986) which has been transferred to reserves.

The results of the company for the year are set out in detail on page 5.

Interim dividends have been paid during the year amounting to £160000 (1993 £300000). The directors do not recommend the payment of a final dividend.

During the year the company paid £1000 under the charitable gift aid scheme.

DIRECTORS

Mr J J Saunders discloses himself to be interested in 1000 shares of the company being the sole shareholder and director of Bristol and Mendip Estates Limited which owns 50% of the company's share capital.

Mr J Powell-Tuck discloses himself to be interested in 500 shares of the company being a majority shareholder and director of Monkswood Securities Limited which owns 25% of the company's share capital.

Mrs S Gibson and Mr N D Ogden are not interested in the shares of the company.

The directors who are currently serving and who served during the year are as shown on page 1.

ARUNDEL HOUSE ESTATES LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST OCTOBER 1994

TAXATION STATUS

In the opinion of the directors the company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

A resolution to re-appoint the auditors, Berkeley Jackson will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD


.....
S M GIBSON - DIRECTOR

DATED: 15th Dec 1994

ARUNDEL HOUSE ESTATES LIMITED

AUDITORS REPORT TO THE MEMBERS OF

ARUNDEL HOUSE ESTATES LIMITED

We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention (as modified by the revaluation of fixed assets) and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 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.

It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

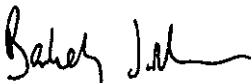
Basis of Opinion

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 judgements made by the directors in the preparation of the financial statements, 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 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 as at 31st October 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BERKELEY JACKSON
REGISTERED AUDITOR AND
CHARTERED ACCOUNTANTS
SHEPTON MALLEY

DATED: 15th Dec 1994

ARUNDEL HOUSE ESTATES LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST OCTOBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
<u>TURNOVER</u>	1b, 2	1188331	1173343
COST OF SALES		(96570)	(104015)
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		1091761	1069328
<u>ADMINISTRATIVE EXPENSES</u>		(147375)	(166563)
Other Operating Income	3	-	275000
		<hr/>	<hr/>
		944386	1177765
<u>INTEREST RECEIVABLE AND SIMILAR INCOME</u>	6	8508	9342
<u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	7	(286061)	(354410)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	666833	832697
TAX ON PROFIT ON ORDINARY ACTIVITIES	8	(159560)	(196711)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		507273	635986
DIVIDENDS PAID	9	(160000)	(300000)
		<hr/>	<hr/>
<u>RETAINED PROFIT FOR THE FINANCIAL YEAR</u>	17	£347273 =====	£335986 =====

The above results arise entirely from the company's continuing operations.

The notes on pages 8 to 12 form an integral part of these accounts.

ARUNDEL HOUSE ESTATES LIMITEDBALANCE SHEET AS AT 31ST OCTOBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
<u>FIXED ASSETS</u>			
Tangible Assets	10	10825000	10850000
<u>CURRENT ASSETS</u>			
Debtors	11	148907	221905
Cash at Bank		381036	265461
		<hr/>	<hr/>
		529943	487366
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(905561)	(850257)
<u>NET CURRENT (LIABILITIES)</u>		<hr/> (375618) <hr/>	<hr/> (362891) <hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		10449382	10487109
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	(3632000)	(3992000)
PROVISIONS FOR LIABILITIES AND CHARGES	14	-	-
		<hr/>	<hr/>
NET ASSETS		£6817382	£6495109
		=====	=====
<u>CAPITAL AND RESERVES</u>			
CALLED UP SHARE CAPITAL	16	2000	2000
<u>RESERVES</u>			
Profit and Loss Account	17	1388006	1040733
Investment Revaluation Reserve	17	5427376	5452376
		<hr/>	<hr/>
SHAREHOLDERS FUNDS	17	£6817382	£6495109
		=====	=====

APPROVED BY THE BOARD OF DIRECTORS

..... S M GIBSON

DATED: 19th Dec 1994

The notes on pages 8 to 12 form an integral part of these accounts.

ARUNDEL HOUSE ESTATES LIMITEDSTATEMENT OF TOTAL RECOGNISED GAINS AND LOSSESFOR THE YEAR ENDED 31ST OCTOBER 1994

	<u>Note</u>	<u>1994</u>	<u>1993</u>
		£	£
Profit for the Financial Year		347273	335986
Unrealised (Deficit) on Revaluation of Properties	10	(25000)	(250000)
		_____	_____
Total Gains and Losses recognised since the last annual report		£322273 =====	£85986 =====

ARUNDEL HOUSE ESTATES LIMITEDNOTES TO THE ACCOUNTS AS AT 31ST OCTOBER 19941. ACCOUNTING POLICIES

a ACCOUNTING CONVENTION

These accounts have been prepared in accordance with the historical cost convention modified to incorporate the revaluation of the investment properties. The principal accounting policies which the directors have adopted within that convention are set out below.

b TURNOVER

Turnover is the amount derived from the letting of industrial units on the company's three commercial property sites.

c DEFERRED TAXATION

Provision is made for deferred taxation using the liability method on all timing differences to the extent that it is probable that the provision will crystallise, in the foreseeable future.

d TANGIBLE FIXED ASSETS AND DEPRECIATION

No depreciation is provided on freehold land and buildings as the directors are of the opinion that they fall within the definition of investment properties which are revalued each year. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit or its reversal on an individual investment property is expected to be permanent in which case it is recognised in the profit and loss account for the year.

Investment properties are valued at open market value in current use in the accounts with any surplus over cost being transferred to a revaluation reserve. Investment properties are not depreciated, in accordance with SSAP 19 requirements. This represents a departure from Companies Act 1985 requirements to provide depreciation in respect of fixed assets, but the policy adopted is necessary in order for the accounts to show a true and fair view.

e CASH FLOW STATEMENT

Since the company qualifies as a small company as defined by Section 247 of the Companies Act 1985, no cash flow statement is presented.

2. ANALYSIS OF TURNOVER AND PROFIT

All turnover and profit has arisen from the letting of commercial property in the UK.

3. OTHER OPERATING INCOME

	<u>1994</u>	<u>1993</u>
Lease Surrender Premium	£ -	£275000
	=====	=====

ARUNDEL HOUSE ESTATES LIMITED

NOTES TO THE ACCOUNTS AS AT 31ST OCTOBER 1994 (CONTINUED)

4.	<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	<u>1994</u>	<u>1993</u>
	Profit on ordinary activities before taxation is arrived at after charging:		
	Auditors Remuneration - audit services	2350	2300
	- non audit service	1600	1000
		=====	=====
5.	<u>EMPLOYEES</u>		
		<u>No. of Directors</u>	
	The average number employed by the company, which includes directors, within each category of persons were:		
	Administration Staff	4	4
		==	==
	The costs incurred in respect of these employees were:		
	Wages and Salaries	-	-
	Social Security Costs	-	-
		-----	-----
		£ -	£ -
		=====	=====
6.	<u>INTEREST RECEIVABLE AND SIMILAR INCOME</u>		
	Bank Interest	7585	8281
	Other Short Term Interest	923	1061
		-----	-----
		£8508	£9342
		=====	=====
7.	<u>INTEREST PAYABLE AND SIMILAR CHARGES</u>		
	On Overdrafts Repayable Within One Year	105	398
	On Loans Repayable by Instalments Over More Than Five Years	285956	354012
		-----	-----
		£286061	£354410
		=====	=====
8.	<u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u>		
	Based on the profit for the year:		
	Corporation Tax @ 33.0% (1993 31.05%)	£159560	£196711
		=====	=====

ARUNDEL HOUSE ESTATES LIMITEDNOTES TO THE ACCOUNTS AS AT 31ST OCTOBER 1994 (CONTINUED)

9. <u>DIVIDENDS</u>	<u>1994</u>	<u>1993</u>
On 2000 (1993 - 2000) Ordinary £1 Shares:-		
Interim Paid £80 per Share (1993 - £150)	160000	3000000
	-----	-----
	£160000	£3000000
	=====	=====
10. <u>TANGIBLE ASSETS</u>	<u>Freehold Investment Properties</u>	
<u>VALUATION</u>	<u>1994</u>	<u>1993</u>
As at 1st November 1993	10850000	11100000
Revaluation During Year	(25000)	(250000)
	-----	-----
As at 31st October 1994	£10825000	£10850000
	=====	=====
As at 31st October 1994 at Cost	£5397624	£5397624
	=====	=====

The directors are of the opinion that the commercial sites fall within the definition of investment properties and accordingly they have been treated in accordance with SSAP19. The investment properties are therefore included in the balance sheet at their open market value and the change in valuation is taken to the Investment Revaluation Reserve.

The investment properties were valued in October 1994 at open market value by Cooke and Arkwright Chartered Surveyors.

11. <u>DEBTORS</u>	<u>1994</u>	<u>1993</u>
Trade Debtors	69240	41546
Other Debtors	51945	155356
Prepayments	27722	25003
	-----	-----
	£148907	£221905
	=====	=====

ARUNDEL HOUSE ESTATES LIMITEDNOTES TO THE ACCOUNTS AS AT 31ST OCTOBER 1994 (CONTINUED)

12. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1994</u>	<u>1993</u>
Bank Loans and Overdrafts	288000	288000
Trade Creditors	12808	7822
Other Creditors Including Taxation and Social Security	64882	49284
Corporation Tax	199560	196711
Accruals and Deferred Income	340311	308440
	<u>£905561</u>	<u>£850257</u>
	=====	=====

The bank overdraft is secured by fixed and floating charges on the investment properties.

13. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>1994</u>	<u>1993</u>
Bank Loan - Amounts repayable by instalments:		
Repayable within five years	1440000	1440000
Repayable after five years	2192000	2552000
	<u>£3632000</u>	<u>£3992000</u>
	=====	=====

The bank loan is secured by a commercial mortgage on the investment properties and is repayable by quarterly instalments. Interest is payable at 1.625% above the LIBOR rate.

14. <u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	<u>Unprovided</u> <u>1994</u>	<u>Provided</u> <u>1994</u>	<u>Unprovided</u> <u>1993</u>	<u>Provided</u> <u>1993</u>
Contingent tax liability on unrealised revaluation surplus	1134000	-	1154700	-
Tax relief from industrial buildings allowances claims, potentially subject to clawback on disposal of properties	441500	-	384843	-
Other timing differences	(10655)	-	(14273)	-
	<u>£1564845</u>	<u>£ -</u>	<u>£1525270</u>	<u>£ -</u>
	=====	=====	=====	=====

ARUNDEL HOUSE ESTATES LIMITEDNOTES TO THE ACCOUNTS AS AT 31ST OCTOBER 1994 (CONTINUED)15. TRANSACTIONS IN WHICH DIRECTORS HAVE AN INTEREST

J J Saunders is the sole shareholder and director of Bristol and Mendip Estates Ltd, which owns 50% of the company's share capital. Property management fees of £88000 were paid to Bristol and Mendip Estates Ltd in the year.

J Powell-Tuck is a major shareholder and director of Monkswood Securities Ltd. Property management fees of £43000 were paid to Monkswood Securities Ltd in the year.

16. <u>CALLED UP SHARE CAPITAL</u>	<u>1994</u>	<u>1993</u>
<u>Authorised</u>		
2000 Ordinary Shares of £1 Each	£2000	£2000
	=====	=====
<u>Allotted, Called Up and Fully Paid</u>		
2000 Ordinary Shares of £1 Each	£2000	£2000
	=====	=====

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

Retained Profit for the Financial Year	507273	635986
Dividends Paid	(160000)	(300000)
	-----	-----
	347273	335986
Deficit on Revaluation of Investment Properties	(25000)	(250000)
	-----	-----
Net Addition to Shareholders' Funds	322273	85986
Opening Shareholders' Funds	6495109	6409123
	-----	-----
Closing Shareholders' Funds	£6817382	£6495109
	=====	=====

ANALYSIS OF SHAREHOLDERS FUNDS

	<u>Share Capital</u>	<u>Investment Revaluation Reserve</u>	<u>Profit & Loss Account</u>	<u>Total</u>
Opening Balances Brought Forward	2000	5452376	1040733	6495109
Transfer from Profit and Loss Account	-	-	347273	347273
Deficit on Revaluation	-	(25000)	-	(25000)
	-----	-----	-----	-----
	£2000	£5427376	£1388006	£6817382
	=====	=====	=====	=====