

BTR Property Holdings Limited

Report and Accounts

For the year ended 31 March 2001

Company number: 1122



BTR Property Holdings Limited

DIRECTORS

J R W Clayton
A C Cochrane
A L Fenton
T R Traherne Williams
P A Hodgson

SECRETARY

Invensys Secretaries Limited

AUDITORS

Ernst & Young LLP
Becket House
1 Lambeth Palace Road
London
SE1 7EU

REGISTERED OFFICE

Invensys House
Carlisle Place
London
SW1P 1BX

BTR Property Holdings Limited

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BTR Property Holdings Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2001.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company's principal activity during the year continued to be that of a property holding company.

Company development has been satisfactory and is expected to continue to be so.

The directors do not expect any change in the principal activity during the next financial year.

RESULTS AND DIVIDENDS

The results for the financial year are summarised below:

	2001 £'000	2000 £'000
Turnover	4,156	5,419
(Loss)/profit before taxation	(977)	3,367
Taxation on (loss)/profit	-	-
(Loss)/profit for the financial year	(977)	3,367

The directors do not recommend the payment of a dividend (2000: £nil).

DIRECTORS

The directors who served during the year were as follows:

J C Bays	(resigned 30 March 2001)
J R W Clayton	(appointed 9 February 2001)
A L Fenton	
R M Jacobs	
J D Thom	(resigned 9 February 2001)

In addition A C Cochrane was appointed as a director on 1 May 2001, P A Hodgson was appointed as a director on 31 August 2001 and R M Jacobs resigned as a director on 31 August 2001 and was replaced by T R Traherne Williams.

DIRECTORS' INTERESTS

None of the directors had any beneficial interest in the shares of the Company. J R W Clayton is a director of BTR Industries Limited, the immediate parent undertaking and, as such, his beneficial interest in the ordinary shares of Invensys plc, the ultimate parent undertaking, are disclosed in the accounts of that company.

BTR Property Holdings Limited

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS (continued)

The interests of the other directors in the ordinary shares of Invensys plc at 31 March 2001 were:

	At 31 March 2001			At 1 April 2000 (or, if later, at date of appointment)		
	Shares	Share option schemes Executive	SAYE	Shares	Share option schemes Executive	SAYE
A L Fenton	8,661	61,900	9,576	8,661	36,400	9,576
R M Jacobs	6,938	3,718	-	6,938	28,590	9,576

Changes to options during the year or, if later, since the date of appointment, comprise the following:


	Granted	Exercised	Lapsed
As part of the Executive Scheme:			
A L Fenton	25,500	-	-
R M Jacobs	-	-	24,872
As part of the SAYE Scheme:			
R M Jacobs	-	-	9,576

AUDITOR

On 28 June 2001, Ernst & Young, the Company's auditor transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnership Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

Ernst & Young LLP will be re-appointed as the Company's auditor in accordance with the elective resolution passed under section 386 of the Companies Act 1985.

By Order of the Board.



Per pro Invensys Secretaries Limited
Secretary
Invensys House
Carlisle Place
London
SW1P 1BX

Date: 1 October 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts 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 enable them to ensure that the accounts 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.

BTR Property Holdings Limited

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF BTR PROPERTY HOLDINGS LIMITED

We have audited the accounts on pages 8 to 17, which have been prepared under the historical cost convention and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 6, the Company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP

Registered Auditor
London

Date: *1 October 2001*

BTR Property Holdings Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2001

		Year ended 31 March 2001 £'000	Year ended 31 March 2000 £'000
	Notes		
Turnover		4,156	5,419
Administrative expenses		(513)	(588)
Other operating expenditure		(4,637)	(4,012)
Operating (loss)/profit	3	(994)	819
Profit on disposal of fixed assets		1	2,544
(Loss)/profit on ordinary activities before interest and taxation		(993)	3,363
Net interest receivable and similar income	7	16	4
(Loss)/profit on ordinary activities before taxation		(977)	3,367
Tax on (loss)/profit on ordinary activities	8	-	-
Retained (loss)/profit for the financial year		(977)	3,367

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

There are no recognised gains or losses other than the loss for the financial year of £977,000 (2000: profit of £3,367,000).

The notes on pages 11 to 17 form part of these accounts.

BTR Property Holdings Limited

BALANCE SHEET AT 31 MARCH 2001

	Notes	31 March 2001 £'000	31 March 2000 £'000
FIXED ASSETS			
Tangible assets	9	3,826	3,082
		<u>3,826</u>	<u>3,082</u>
CURRENT ASSETS			
Debtors	10	318,650	311,310
Cash and short-term deposits		3,151	1,937
		<u>321,801</u>	<u>313,247</u>
CREDITORS: amounts falling due within one year	11	(322,977)	(312,542)
		<u>(1,176)</u>	<u>705</u>
NET CURRENT (LIABILITIES)/ASSETS			
		2,650	3,787
TOTAL ASSETS LESS CURRENT LIABILITIES			
PROVISIONS FOR LIABILITIES AND CHARGES	12	(3,500)	(3,660)
		<u>(850)</u>	<u>127</u>
CAPITAL AND RESERVES			
Called up share capital	14	500	500
Profit and loss account	15	(1,350)	(373)
		<u>(850)</u>	<u>127</u>
EQUITY SHAREHOLDERS' FUNDS			

These accounts were approved by the Board on 1 October 2001 and signed on its behalf by:



Director

The notes on pages 11 to 17 form part of these accounts.

BTR Property Holdings Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 31 MARCH 2001

	2001 £'000	2000 £'000
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(977)	3,367
Opening shareholders' funds	127	(3,240)
Closing shareholders' funds	<u>(850)</u>	<u>127</u>

BTR Property Holdings Limited

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

Basis of preparation

The accounts have been prepared under the historical cost convention, and in accordance with all applicable UK accounting standards.

Under Financial Reporting Standard No. 1: "Cash Flow Statements" (revised 1996), the Company is exempt from the requirement to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking of Invensys plc, a listed company that prepares a consolidated cash flow statement for the Invensys group.

Going Concern

The Company is dependent on continuing finance being made available by its parent company to enable it to continue operating and to meet its liabilities as they fall due.

The parent undertaking has agreed to provide sufficient funds to the Company for these purposes. The directors believe that it is therefore appropriate to prepare the accounts on a going concern basis.

New financial reporting standards

(i) Adoption of FRS 18

In December 2000 the Accounting Standards Board issued Financial Reporting Standard No 18: Accounting Policies (FRS 18). The requirements of FRS 18 are effective for accounting periods ending on or after 22 June 2001; hence, BTR Property Holdings Limited has not implemented the requirements of FRS 18 in the preparation of the statutory accounts for the year ended 31 March 2001.

(ii) Adoption of FRS 19

In December 2000 the Accounting Standards Board issued Financial Reporting Standard No 19: Deferred Tax (FRS 19). The requirements of FRS 19 are effective for accounting periods ending on or after 23 January 2002; hence, BTR Property Holdings Limited has not implemented these requirements in the preparation of the statutory accounts for the year ended 31 March 2001. The impact on the Company is currently being evaluated.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the period end. Exchange differences arising from the re-translation of foreign currency denominated assets and liabilities together with other exchange differences arising in the year are included in the profit and loss account.

Turnover

Turnover represents the invoiced value of goods and services supplied by the Company, to third parties, excluding value added tax. Turnover relating to long-term contracts represents the value of work performed during the year.

BTR Property Holdings Limited

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

Depreciation of tangible fixed assets

Tangible fixed assets are depreciated to their residual values on a straight-line basis over their estimated useful lives at the following rates applied to original cost or subsequent valuation:

Freehold land	Nil
Freehold and long leasehold buildings	2% or remaining useful life if less than 50 years
Short leasehold buildings	Remaining lease period
Plant and machinery	20%

Impairment of fixed assets

Impairment reviews are undertaken if there are indications that the carrying values may not be recoverable.

Leased assets

Rentals under operating lease are charged to profit and loss account on a straight-line basis.

Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities may crystallise in the foreseeable future.

2. TURNOVER

Turnover is all attributable to the same class of business - that of a property holding company. Turnover, which is stated net of value added tax, represents amounts invoiced of rents and services in the United Kingdom.

3. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2001 £'000	2000 £'000
Auditors' remuneration - audit fees	36	39
Depreciation of owned fixed assets	76	290
Operating lease rentals - other	4,058	2,814

4. DIRECTORS' REMUNERATION

	2001 £'000	2000 £'000
Emoluments	115	161
Compensation for loss of office	20	-
	135	161

	2001 No.	2000 No.
Members of defined benefit pension scheme	1	2

BTR Property Holdings Limited

NOTES TO THE ACCOUNTS (continued)

5. EMPLOYEES

The monthly average number of employees (including directors) during the year as follows:

	2001 No	2000 No
Finance and administration	4	4

The aggregate payroll costs of these persons were as follows:

	2001 £'000	2000 £'000
Wages and salaries	212	211
Social security costs	20	48
	232	259

6. OPERATING AND NON-OPERATING EXCEPTIONAL ITEMS

Included in operating profit are operating exceptional items of:

	2001 £'000	2000 £'000
Release of provision for surplus property costs	-	(1,345)

7. NET INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £'000	2000 £'000
Interest payable on late payments	-	(1)
Interest receivable on bank balances	16	5
Net interest receivable	16	4

BTR Property Holdings Limited

NOTES TO THE ACCOUNTS (continued)

8. TAXATION ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2001 £'000	2000 £'000
United Kingdom corporation tax		
Current tax on income for the period	-	-

The charge for both years has been reduced to nil as a result of losses surrendered from other group companies for which no payment is required.

9. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Plant and machinery £'000	Total £'000
Cost or valuation			
At beginning of year	4,142	62	4,204
Additions	828	-	828
Disposals	-	(36)	(36)
At end of year	4,970	26	4,996
Depreciation			
At beginning of year	1,078	44	1,122
Disposals	-	(28)	(28)
Charge for the year	71	5	76
At end of year	1,149	21	1,170
Net book value			
At end of year	3,821	5	3,826
At beginning of year	3,064	18	3,082

The net book value of land and buildings at 31 March comprises:

	2001 £'000	2000 £'000
Freehold	3,324	2,592
Long leasehold	280	251
Short leasehold	217	221
	3,821	3,064

BTR Property Holdings Limited

NOTES TO THE ACCOUNTS (continued)

10. DEBTORS:

Amounts falling due within one year	2001 £'000	2000 £'000
Trade debtors	1,013	775
Amounts owed by parent and fellow subsidiary undertakings	317,044	309,695
Other debtors	123	203
Prepayments and accrued income	470	637
	<u>318,650</u>	<u>311,310</u>

11. CREDITORS: amounts falling due within one year

	2001 £'000	2000 £'000
Trade creditors	344	1,131
Amounts owed to parent and fellow subsidiary undertakings	320,978	310,319
Other creditors	805	466
Accruals and deferred income	850	626
	<u>322,977</u>	<u>312,542</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	Other £'000
At beginning of year	3,660
Utilised in year	(160)
At end of year	<u>3,500</u>

A provision is recognised for onerous lease rentals in respect of certain sub-let and vacant properties. It is expected costs will be incurred evenly over the remaining life of the various operating leases.

13. DEFERRED TAXATION

	Provided		Unprovided	
	31 March 2001 £'000	31 March 2000 £'000	31 March 2001 £'000	31 March 2000 £'000
Accelerated capital allowances	-	-	802	792
Other timing differences	-	-	-	(21)
	<u>-</u>	<u>-</u>	<u>802</u>	<u>771</u>

BTR Property Holdings Limited

NOTES TO THE ACCOUNTS (continued)

14. CALLED UP SHARE CAPITAL

	Authorised		Allotted, called-up and fully paid	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
1,250,000 ordinary shares of £1 each	1,250	1,250	-	-
500,000 ordinary shares of £1 each	-	-	500	500

15. RESERVES

	Profit and loss account £'000
At beginning of year	(373)
Loss for the year	(977)
	<u>(1,350)</u>

16. OTHER FINANCIAL COMMITMENTS

Operating leases

At 31 March 2001 the Company had commitments under operating leases to make payments in the year to 31 March 2002 under agreements expiring as below:

	As at 31 March 2001 Land and buildings £'000	As at 31 March 2000 Land and buildings £'000
Within one year	501	335
Within two to five years	872	634
In over five years	2,686	1,427
	<u>4,059</u>	<u>2,396</u>

BTR Property Holdings Limited

NOTES TO THE ACCOUNTS (continued)

17. CONTINGENT LIABILITIES

The Company has cross guarantee arrangements guaranteeing the bank overdrafts of certain other Invensys companies.

In accordance with provisions contained in the Value Added Tax Act 1983, the company has entered into a joint and several guarantee for Group Registrations.

The Company has contingent liabilities arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

18. RELATED PARTY TRANSACTIONS

As the Company is a wholly owned subsidiary undertaking of Invensys plc, a company registered in England and Wales, which prepares published consolidated financial statements, the Company has pursuant to paragraph 17 of Financial Reporting Standard No 8: Related Party Disclosures (FRS 8) not included details of transactions with other companies which are subsidiaries of the Invensys Group. There are no other related party transactions.

Disclosure of directors' interest in the shares of the Company and Invensys plc is made in the Directors' Report.

19. IMMEDIATE PARENT UNDERTAKING

The immediate parent undertaking of BTR Property Holdings Limited is BTR Industries Limited, a company registered in England and Wales.

20. ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of BTR Property Holdings Limited is Invensys plc, a company registered in England and Wales. The only group preparing consolidated group accounts which include BTR Property Holdings Limited is Invensys plc. Copies of the accounts of Invensys plc, can be obtained from the Company Secretarial Department, Invensys plc, Carlisle place, London, SW1P 1BX.