

Barranquilla Investments Limited

Directors' report and financial statements

31 December 1995

Registered number 26163



Barranquilla Investments Limited

Directors' report and financial statements

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Barranquilla Investments Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1995.

Principal activity

The company did not trade during the year.

Financial statements and dividends

The result of the company for the year ended 31 December 1995 is set out in the attached financial statements.

The directors do not recommend the payment of a dividend (1994: £2,000,000).

Directors and directors' interests

The directors who held office during the year are:

Mr BSE Freshwater

Mr D Davis

Mr LM Hyman (appointed 22 December 1994; resigned 24 January 1995)

Mr CC Morse (appointed 22 December 1994; resigned 24 January 1995)

The Articles of Association of the company do not require the directors to retire by rotation.

No director has a service contract nor do they receive any emoluments from the company.

The whole of the issued share capital of the company is owned by Metropolitan Properties Company Limited. Mr BSE Freshwater is also a director of Metropolitan Properties Company Limited and his interest is set out in the directors' report of that company. At 31 December 1995 none of the directors had any interest in the share capital of the company, subsidiaries or any subsidiary of the company's parent undertaking.

Barranquilla Investments Limited

Directors' report

Statement of 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 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 ensuring that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.


Income and Corporation Taxes Act 1988

So far as the directors are aware, the company is a "close company" within the meaning of Section 414 of the above Act.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board


CC Morse
Secretary

Freshwater House
158/162 Shaftesbury Avenue
London WC2H 8HR



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8 Salisbury Square
London
EC4Y 8BB

Auditors' report to the members of Barranquilla Investments Limited

We have audited the financial statements on pages 4 to 13.

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 those financial 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 31 December 1995 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


KPMG
Chartered Accountants
Registered Auditors

20 JUN 1996

Barranquilla Investments Limited

Profit and loss account

for the year ended 31 December 1995

| | Note | 1995 £000 | 1994 £000 |
|--|------|--------------|--------------|
| Rents and charges receivable | | - | 3,575 |
| Property outgoings | | - | (22) |
| | | <hr/> | <hr/> |
| Administrative expenses | 2 | - | 3,553 |
| | | - | (18) |
| | | <hr/> | <hr/> |
| Operating profit | | - | 3,535 |
| Investment property sales | | - | 50,680 |
| Cost of sales | | - | (46,772) |
| | | <hr/> | <hr/> |
| Interest receivable | 3 | - | 3,908 |
| Interest payable | 4 | - | 2,376 |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | | - | 9,813 |
| Taxation | 5 | - | (1,934) |
| | | <hr/> | <hr/> |
| Profit on ordinary activities after taxation | 11 | - | 7,879 |
| Dividend proposed | 6 | - | (2,000) |
| | | <hr/> | <hr/> |
| Retained profit for the financial year | | - | 5,879 |
| | | <hr/> | <hr/> |

Other than the profits shown above, there were no gains or losses in the year or the previous year.

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

Barranquilla Investments Limited

Note of historical cost profits and losses
for the year ended 31 December 1995

| | 1995 £000 | 1994 £000 |
|---|--------------|--------------|
| Reported profit on ordinary activities before taxation | - | 9,813 |
| Realisation of investment property revaluation gains of previous years | - | 40,038 |
| | <hr/> | <hr/> |
| Historical cost profit on ordinary activities before taxation | - | 49,851 |
| | <hr/> | <hr/> |
| Historical cost profit for the year retained after taxation | - | 47,917 |
| | <hr/> | <hr/> |

Barranquilla Investments Limited

Balance sheet at 31 December 1995

| | Note | 1995 £000 | 1994 £000 |
|---|------|--------------|--------------|
| Fixed assets | | | |
| Investments | 7 | 880 | 880 |
| | | | |
| | | 880 | 880 |
| Debtors | 8 | 137,806 | 143,027 |
| Cash at bank | | 2 | 5 |
| | | | |
| | | 137,808 | 143,032 |
| Creditors: amounts falling due within one year | 9 | (74,075) | (79,299) |
| | | | |
| Net current assets | | 63,733 | 63,733 |
| | | | |
| Net assets | | 64,613 | 64,613 |
| | | | |
| Capital and reserves | | | |
| Equity share capital | | 413 | 413 |
| Non-equity share capital | | 1,120 | 1,120 |
| | | | |
| Called up share capital | 10 | 1,533 | 1,533 |
| Share premium account | | 460 | 460 |
| Profit and loss account | | 62,620 | 62,620 |
| | | | |
| | | 64,613 | 64,613 |

These financial statements were approved by the board of directors on **20 JUN 1996** and were signed on its behalf by:


BSE Freshwater
Director


D Davis
Director

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

Barranquilla Investments Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention, as adjusted by the policy of accounting for investment properties referred to below, and in accordance with applicable Accounting Standards.

Taxation

Current

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

Deferred

Deferred taxation is provided, using the liability method, in respect of timing differences only to the extent that it is probable that, in the opinion of the directors, an actual liability will crystallise.

Investment properties

Investment properties are included in the balance sheet at professional valuation at the year end, based on open market value assessed in accordance with the RICS guidance notes.

In accordance with Statement of Standard Accounting Practice No. 19:

- i investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; and
- ii no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run.

This treatment, as regards the company's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Barranquilla Investments Limited

Notes (continued)

1 Accounting policies (continued)

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement (in accordance with Financial Reporting Standard No.1) on the grounds that it is a wholly owned subsidiary undertaking of an intermediate holding company registered in England which prepares consolidated financial statements that include a consolidated cash flow.

2 Administrative expenses

| | 1995 £000 | 1994 £000 |
|--|--------------|--------------|
| Administrative, legal and professional and other expenses | - | 8 |
| Auditors' remuneration for audit services | - | 10 |
| | <hr/> | <hr/> |
| | - | 18 |
| | <hr/> | <hr/> |

The directors of the company did not receive any emoluments from the company during the year or in the previous year.

Apart from the directors, there were no other employees of the company during the year or in the previous year.

Barranquilla Investments Limited

Notes (continued)

3 Interest receivable

| | 1995 £000 | 1994 £000 |
|----------------------------------|--------------|--------------|
| Group finance charges receivable | - | 2,376 |

4 Interest payable

| | 1995 £000 | 1994 £000 |
|----------------------------|--------------|--------------|
| Interest on bank overdraft | - | 6 |

5 Taxation

| | 1995 £000 | 1994 £000 |
|--|--------------|--------------|
| Consideration payable for group relief | - | 1,934 |

6 Dividend

| | 1995 £000 | 1994 £000 |
|-------------------|--------------|--------------|
| Proposed dividend | - | 2,000 |

7 Investments

| | 1995 £000 | 1994 £000 |
|--|--------------|--------------|
| Investment in subsidiary undertakings comprises: | | |
| Shares at cost (note 12) | 880 | 880 |

Barranquilla Investments Limited

Notes *(continued)*

8 Debtors

| | 1995 £000 | 1994 £000 |
|--|----------------|----------------|
| Amount due from immediate parent undertaking | 133,578 | 138,798 |
| Amounts due from subsidiary undertakings | 4,228 | 4,229 |
| | <u>137,806</u> | <u>143,027</u> |

9 Creditors: amounts falling due within one year

| | 1995 £000 | 1994 £000 |
|---|---------------|---------------|
| Bank and other short-term interest | - | 1 |
| Amounts due to subsidiary undertakings | 72,120 | 73,448 |
| Amounts due to fellow subsidiary undertaking | 21 | - |
| Dividends payable to immediate parent undertaking | - | 2,000 |
| Consideration payable for group relief | 1,934 | 3,840 |
| Creditors and accruals | - | 10 |
| | <u>74,075</u> | <u>79,299</u> |

Barranquilla Investments Limited

Notes (continued)

10 Called up share capital

| | 1995 £000 | 1994 £000 |
|--|--------------|--------------|
| <i>Authorised</i> | | |
| <i>Equity share capital</i> | | |
| 1,000,000 Ordinary shares of 50p each | 500 | 500 |
| <i>Non-equity share capital</i> | | |
| 2,500,000 Non voting redeemable deferred shares of 50p each | 1,250 | 1,250 |
| | <u>1,750</u> | <u>1,750</u> |
| <i>Allotted, called up and fully paid</i> | | |
| <i>Equity share capital</i> | | |
| 826,020 Ordinary shares of 50p each | 413 | 413 |
| <i>Non-equity share capital</i> | | |
| 2,240,100 Non voting redeemable deferred shares of 50p each | 1,120 | 1,120 |
| | <u>1,533</u> | <u>1,533</u> |

The deferred shares carry the following rights

- At the discretion of the directors they may receive a dividend provided the ordinary shareholders have received a dividend of a least five pounds per share.
- The shares are redeemable at nominal value at any time.
- In the event of a winding up deferred shares rank equally with ordinary shares up to the nominal amount of the shares. Any excess reserves thereafter are distributed amongst ordinary shareholders only.
- Deferred shares have no voting rights.

Barranquilla Investments Limited

Notes *(continued)*

11 Reconciliation of movements in shareholders' funds

| | 1995 £000 | 1994 £000 |
|--|--------------|--------------|
| Profit on ordinary activities after taxation | - | 7,879 |
| Dividends | - | (2,000) |
| | <hr/> | <hr/> |
| Net addition to shareholders' funds | - | 5,879 |
| Opening shareholders' funds | 64,613 | 58,734 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 64,613 | 64,613 |

Other than the non-equity share capital, shareholders' funds relate exclusively to equity shareholders' interests.

12 Subsidiary undertakings

The company has the following wholly-owned subsidiaries, all of whom are incorporated in Great Britain and registered in England and Wales.

Alberment Properties Limited*
 Barranquilla Properties Limited
 Chisbury Properties Limited
 Feltham Developments Limited*
 Fenromer Property Investment Company Limited
 Finwil Properties Limited
 FWH Properties Co. Limited*
 Ropemoor Properties Limited
 Twenty-Seven Albert Embankment Limited*
 Barranquilla Property Investment Limited

* Indirectly owned

The directors are of the opinion that the value of the investments is not less than the amount at which they are stated in the financial statements.

The financial statements present information about the undertaking as an individual undertaking and not about its group. No group financial statements have been prepared as the company is a wholly owned subsidiary of another United Kingdom body corporate.

Barranquilla Investments Limited

Notes *(continued)*

13 Charges on assets and guarantees

The company has given a composite guarantee for all liabilities of Chisbury Properties Limited and Finwil Properties Limited.

14 Ultimate holding company

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up is Centremanor Limited, a company registered in England and Wales.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up is Metropolitan Properties Company Limited, a company registered in England and Wales.

Copies of these financial statements can be obtained from the following address:
Freshwater House, 158/162 Shaftesbury Avenue, London WC2H 8HR.

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.