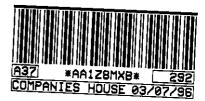
Directors' report and financial statements

**31 December 1995** 

Registered number 26163



# Directors' report and financial statements

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## 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.

## 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

Freshwater House 158/162 Shaftesbury Avenue London WC2H 8HR



PO Box 695 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

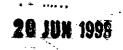
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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



Profit and loss account for the year ended 31 December 1995

	Note	1995		19	994
		£000	£000	£000	£000
Rents and charges receivable Property outgoings		-	-		3,575 (22)
Administrative expenses	2	_	-		3,553 (18)
Operating profit Investment property sales Cost of sales		<u>-</u>	-	50,680 (46,772)	3,535
Interest receivable Interest payable	3 4	_	-		3,908 2,376 (6)
Profit on ordinary activities before taxation			-		9,813
Taxation	5		-		(1,934)
Profit on ordinary activities after taxation Dividend proposed	11 6	_	-		7,879 (2,000)
Retained profit for the financial year		*****	_		5,879

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.

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

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

Balance sheet at 31 December 1995

	Note	1995	5	199	94
		£000	£000	£000	£000
Fixed assets					
Investments	7	880		880	
			880		880
Debtors	8	137,806		143,027	
Cash at bank		2		5	
Cue l'écons aureure Cillier		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 were signed on its behalf by:

20 JUN 1996

and

BSE Freshwater

Director

D Davis

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

#### **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.

### 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
	-	18
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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.

## Notes (continued)

3	Interest receivable		
		1995	1994
		£000	£000
	Group finance charges receivable	<u>.</u>	2,376
4	Interest payable		
		1995	1994
		£000	£000
	Interest on bank overdraft	<u> </u>	6
5	Taxation		
		1995	1994
		£000	£000
	Consideration payable for group relief	-	1,934
6	Dividend		
		1995	1994
		£000	£000
	Proposed dividend	-	2,000
7	Tourstoneste		
7	Investments	1995	1994
		£000	£000
	Investment in subsidiary undertakings comprises: Shares at cost (note 12)	880	880

Notes (continued)

### 8 Debtors

	1995	1994
	•	
	£000	£000
Amount due from immediate parent undertaking	133,578	138,798
Amounts due from subsidiary undertakings	4,228	4,229
	137,806	143,027
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
	•	10
Creditors and accruals		

Notes (continued)

#### 10 Called up share capital

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

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.

Notes (continued)

#### 11 Reconciliation of movements in shareholders' funds

1995	1994
£000	£000
-	7,879
-	(2,000)
-	5,879
64,613	58,734
64,613	64,613
	£000 - - - 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

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.

<sup>\*</sup> Indirectly owned

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.