

# Property Holding & Investment Trust Limited

Financial Statements 31 December 2003  
together with directors' and auditors' reports

Registered number: 439083



# Property Holding & Investment Trust Limited

## Directors' Report

The Directors present their report and the audited financial statements for the year ended 31 December 2003.

### Principal activities and business review

The Company's principal activity is that of a holding company whose subsidiaries previously engaged in real estate activities. Those activities have ceased.

### Financial statements and dividend

The financial statements of the Company appear on pages 3 to 9, inclusive.

The result for the year is set out in the profit and loss account on page 3. Retained profits of £5,215 (2002 - £7,344) have been transferred to reserves.

No interim dividend was declared during the year and the Directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2003 (2002 - £Nil).

The holder of the issued and outstanding 4½ per cent. Cumulative Preference Shares of £1 each in the capital of the Company has waived its right to the fixed cumulative preferential dividend on those shares in respect of the year ended 31 December 2003.

### Directors

Shown below are the Directors who served during the year and continue in office at the date of this report.

Trafalgar House Developments Limited  
Trafalgar House Property Limited

### Directors' interests

No Director has, or during the year had, any interest in the shares of the Company or any other company within the same group to be disclosed in terms of the Companies Act 1985 except for Trafalgar House Property Limited which is interested solely by reason of being the holding company of certain other companies within the same group.

### Annual general meeting

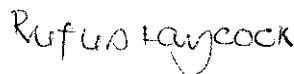
The Company has dispensed with the laying of accounts and reports before the Company in general meeting and the holding of annual general meetings.

### Auditor

KPMG Audit Plc has signified its willingness to continue in office.

Pursuant to a shareholders' resolution, the Company is not obliged to re-appoint its auditor annually and KPMG Audit Plc is, therefore, deemed re-appointed as auditor for the succeeding year.

By order of the Board,



Rufus Laycock  
*Secretary*

Date: 6 August 2004.

Registered Office:  
68 Hammersmith Road  
London W14 8YW

# Property Holding & Investment Trust Limited

## 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 as at the end of the financial year and of the profit or loss of the Company for that year. 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; and
- 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 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.

# **Independent auditors' report to the members of Property Holding & Investment Trust Limited**

We have audited the financial statements on pages 3 to 9.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinion we have formed.

## **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 1 the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

## **Basis of audit 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*  
**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*  
*8 Salisbury Square*  
*London*  
*EC4Y 8BB*

*29 September 2004*

# Property Holding & Investment Trust Limited

## Profit And Loss Account for the Year Ended 31 December 2003

	Note	Year ended 31 December 2003 £	Year ended 31 December 2002 £
Interest receivable		5,215	-
Reversal of amounts written off investments in prior periods		-	7,344
<b>Profit on ordinary activities before taxation</b>	2	<u>5,215</u>	<u>7,344</u>
<b>Taxation - on profit on ordinary activities</b>	3	<u>-</u>	<u>-</u>
<b>Retained profit for the financial year</b>	7	<u><u>5,215</u></u>	<u><u>7,344</u></u>

The notes on pages 5 to 8 inclusive form part of this profit and loss account.

The Company has no recognised gains or losses other than the profit for the current and prior financial years. Accordingly, a statement of total recognised gains and losses has not been prepared.

The only movement in shareholders' funds is the profit for the financial year. Accordingly, a statement reconciling the movements in shareholders' funds has not been prepared.

# Property Holding & Investment Trust Limited

## Balance Sheet at 31 December 2003

	Note	31 December 2003		31 December 2002	
		£	£	£	£
<b>Fixed assets</b>					
Investments	4		26,893,956		26,893,956
<b>Current assets</b>					
Debtors	5	<u>61,345,030</u>		<u>61,339,815</u>	
<b>Creditors: Amounts falling due within one year:</b>					
Amount owed to intermediate parent undertaking		(548,522)		(548,522)	
Amounts owed to subsidiary undertakings		(39,484,240)		(39,484,240)	
Accruals and deferred income		(14,289)		(14,289)	
Other creditors		<u>(6,673)</u>		<u>(6,673)</u>	
		<u>(40,053,724)</u>		<u>(40,053,724)</u>	
<b>Net current assets</b>			<u>21,291,306</u>		<u>21,286,091</u>
<b>Total assets less current liabilities</b>			<u>48,185,262</u>		<u>48,180,047</u>
<b>Capital and reserves</b>					
Equity share capital			20,456,923		20,456,923
Non-equity share capital			499,377		499,377
Called up share capital	6		<u>20,956,300</u>		<u>20,956,300</u>
Share premium account			1,028,949		1,028,949
Profit and loss account	7		<u>26,200,013</u>		<u>26,194,798</u>
<b>Equity and non-equity shareholders' funds</b>			<u>48,185,262</u>		<u>48,180,047</u>

The notes on pages 5 to 8 inclusive form part of this balance sheet.

The financial statements were approved by the Board of Directors on 6 August 2004 and signed on its behalf by:

FOR AND ON BEHALF OF  
TRAFALGAR HOUSE PROPERTY LIMITED  
*Rufus Laycock*

Director

# Property Holding & Investment Trust Limited

## Notes to accounts 31 December 2003

### 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.

#### (a) Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified for the revaluation of certain fixed assets.

The Company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

#### (b) Cash flow statement

The Company has taken advantage of the exemption under the rules of FRS1 (revised) not to produce a cash flow statement. The appropriate amounts have been included in the consolidated financial statements of Kvaerner ASA.

#### (c) Related parties

As the Company is a wholly owned subsidiary of Aker Kvaerner PLC, the Company has taken advantage of the exemption contained in FRS 8 and has, therefore, not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Aker Kvaerner PLC, within which this Company is included, can be obtained from the address given in note 8.

#### (d) Taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Advance corporation tax recoverable by deduction from future corporation tax is carried forward within deferred taxation or as ACT recoverable within debtors as appropriate.

#### (e) Fixed asset investments

Shares in subsidiary undertakings are stated at the lower of cost and net asset value.

#### (f) Revaluation reserve

Surpluses or deficits arising on the revaluation of tangible fixed assets are transferred to a non-distributable reserve known as the revaluation reserve, unless a deficit (or its reversal) is expected to be permanent in which case it is charged (or credited) to the profit and loss account. In accordance with FRS3, the profit or loss on sale of a tangible fixed asset is the difference between the disposal proceeds and the carrying value of the asset, including any revaluation. Any amount in the revaluation reserve relating to such an asset is transferred directly to the profit and loss reserve and is not included in the profit for the financial year.

### 2. Profit on ordinary activities before taxation

There were no employees of the Company during the year (2002 - None). Administration expenses and auditors' remuneration were borne by Kvaerner Estates Limited, a fellow subsidiary undertaking.

Neither of the Directors received any emoluments from the Company during the year (2002 - £Nil).

# Property Holding & Investment Trust Limited

## Notes to accounts (continued)

31 December 2003

### 3. Taxation - on profit on ordinary activities

#### Factors affecting the current tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are as follows:-

	Year ended 31 December 2003 £	Year ended 31 December 2002 £
Profit on ordinary activities before taxation	5,215	7,344
Taxation charge at UK Corporation Tax rate of 30% (2002:30%)	1,565	2,203
Effects of		
Group relief for which no payment is made	(1,565)	-
Expenditure not deductible for tax purposes	-	(2,203)
Actual tax charge per accounts	-	-

#### Factors affecting future tax charges

It is anticipated that any future taxable income in this Company will be sheltered from tax by utilisation of group relief from other Group companies, and where possible, the use of the Group's tax losses arising in prior years.

The Aker Kvaerner PLC UK tax group has brought forward tax losses estimated at £230M and surplus Advance Corporation Tax of approximately £194M.

There is no potential liability to deferred taxation (2002 - £Nil).

### 4. Fixed assets - investments

#### Shares in subsidiary undertakings

At 1 January 2003 (cost £66,430,749) and  
31 December 2003 (cost £66,430,749)

26,893,956

Investments in subsidiary undertakings are stated at the lower of cost and net asset value.

The value of the investment in subsidiary undertakings based on the equity method of valuation is £45,652,734 (2002 - £45,652,734)



# Property Holding & Investment Trust Limited

## Notes to accounts (continued) 31 December 2003

### 4. Fixed assets – investments (continued)

Listed below are the Company's subsidiary undertakings. These subsidiary undertakings are wholly-owned, incorporated in Great Britain, registered in England and Wales and carry on their activities in the country of incorporation.

Subsidiary undertaking	Activity
G.M. Properties Limited	Dormant
Impkarn Limited	Dormant
Property Selection & Investment Trust Limited	Dormant
Redhill Properties Limited	Dormant

### 5. Debtors

	31 December 2003 £	31 December 2002 £
Amounts falling due within one year:		
Amount owed by parent undertaking	46,630,252	46,630,252
Amounts owed by fellow subsidiary undertakings	14,714,778	14,709,563
	<u>61,345,030</u>	<u>61,339,815</u>

### 6. Share capital

	31 December 2003 £	31 December 2002 £
Authorised:		
Equity share capital		
100,000,000 Ordinary Shares of 25p each	25,000,000	25,000,000
Non-equity share capital		
750,000 4½ per cent. Cumulative Preference Shares of £1 each	<u>750,000</u>	<u>750,000</u>
Allotted, called up and fully paid:		
Equity share capital		
81,827,690 Ordinary Shares of 25p each	20,456,923	20,456,923
Non-equity share capital		
499,377 4½ per cent. Cumulative Preference Shares of £1 each	<u>499,377</u>	<u>499,377</u>
	<u>20,956,300</u>	<u>20,956,300</u>

# Property Holding & Investment Trust Limited

## Notes to accounts (continued)

31 December 2003

### 6. Share Capital (continued)

The holders of the non-equity share capital are entitled to:

- (1) be paid out of profits which the directors shall determine to distribute by way of dividend in any year a fixed cumulative dividend at the rate of 4½% per annum;
- (2) on the winding up of the Company to receive:
  - a) all arrears of preferential dividend whether earned or declared or not; and
  - b) the amount of the capital paid up or credited as paid up on the Preference Shares together with a premium of either 10p per share or the difference between the nominal value of the shares and the market value thereof, whichever is the greater;

in priority to any payment in respect of Ordinary Shares but shall not be entitled to any other rights in the profits or assets of the Company.

The holders of the non-equity share capital shall have no right to receive notice of or to be present or to vote at any General Meeting of the Company unless:

- a) the preferential dividend shall remain unpaid for six calendar months for which purpose the dividend shall be deemed to be payable half yearly on 31 March and 31 December or;
- b) a resolution shall be submitted:
  - (i) for the reduction of the capital of the Company;
  - (ii) for winding up the Company;
  - (iii) directly affecting the rights and privileges attached to the shares, or
  - (iv) for effecting any alteration in the borrowing powers of the directors.

As to voting: subject to the special rights as to voting described above on a show of hands at a general meeting of the Company each member present shall have one vote, and in case of a poll every member present or by proxy shall have four votes in respect of each Preference Share and one vote in respect of each Ordinary Share held.

The holder of the issued and outstanding 4½ per cent. Cumulative Preference Shares of £1 each has waived its right to the fixed cumulative preferential dividend on those shares in respect of the year ended 31 December 2003.

### 7. Profit and loss account

£

At 1 January 2003	26,194,798
Retained profit for the financial year	<u>5,215</u>
At 31 December 2003	<u>26,200,013</u>

# Property Holding & Investment Trust Limited

## 8. **Ultimate parent company and parent undertaking of larger group of which the Company is a member**

Aker Kvaerner PLC, which is registered in England and Wales, heads the smallest group in which the results of the Company are consolidated.

The ultimate parent company at 31 December 2003 was Kværner ASA (formerly Aker Kværner ASA), a company incorporated in Norway, which heads the largest group in which the results of the Company are consolidated. Subsequent to the year-end the largest investor in Kværner ASA acquired additional shares in that company with the consequence that at the date of approval of these financial statements TRG AS, a company incorporated in Norway, is to be regarded as the Company's ultimate parent company. Copies of the respective financial statements can be obtained from Aker Kvaerner PLC at Kvaerner House, 68 Hammersmith Road, London W14 8YW.