

REGISTERED  
SIGNED

**PLANDSMARP INVESTMENTS LIMITED**  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 NOVEMBER 1998

Company no 01122022



**PLANDSMARP INVESTMENTS LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

For the year ended 30 November 1998

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# PLANDSMARP INVESTMENTS LIMITED

## REPORT OF THE DIRECTORS

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The directors present their report together with financial statements for the year ended 30 November 1998.

### Principal activities

The company is principally engaged in property investment.

### Review of the business

The loss for the year after taxation related to the company's continuing activity and amounted to £11,414,845. The loss has been transferred to reserves.

Rental income has remained at a similar level to prior years.

### Directors

The directors in office at the end of the year were Mr R H Smith, Mr J H Williamson and Mrs W M Linnett. All served on the Board throughout the year.

The interests of the directors in the shares of the company at 1 December 1997 and 30 November 1998, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	Ordinary £1 shares		Non-cumulative 5% preference shares of £1 each	
	1998	1997	1998	1997
Mrs W M Linnett	-	-	-	-
R H Smith	-	-	-	-
J H Williamson	-	-	34	34

Mrs W M Linnett is a director of the ultimate parent company and her interests in shares and loan stock of group companies are disclosed in the financial statements of that company.

### Directors' responsibilities for the financial statements

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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**PLANDSMARP INVESTMENTS LIMITED**

**REPORT OF THE DIRECTORS (CONTINUED)**

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**Fixed assets**

Investment properties were revalued at £7,730,000 on 30 November 1998.

**Close company**

The company is a close company as defined by section 414 of the Income and Corporation Taxes Act 1988.

**Auditors**

Sedley Richard Laurence Voulters offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



R H SMITH F C A  
Secretary

Registered office:

23 Bridford Mews  
Devonshire Street  
London  
WIN 1LQ

13 January 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
PLANDSMARP INVESTMENTS LIMITED**

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We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1 the directors are responsible for the preparation of financial statements. 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 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.

**Fundamental uncertainty**


*In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the support of the company's bankers and its parent company.*

The financial statements have been prepared on a going concern basis, the validity of which depends on future funding being available. The financial statements do not include any adjustments that would result from a failure to obtain funding. Details of the circumstances relating to this fundamental uncertainty are described in note 1(c). Our opinion is not qualified in this respect.

**Qualified opinion**

The valuation of investment properties shown in these financial statements has been made by a director of the company at 30 November 1998. This is not in accordance with Statement of Standard Accounting Practice No. 19.

Except for the above, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 November 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**SEDLEY RICHARD LAURENCE VOULTERS**  
**REGISTERED AUDITORS**  
**CHARTERED ACCOUNTANTS**

London  
WIN ILQ

13 January 1999

**PLANDSMARP INVESTMENTS LIMITED****PROFIT AND LOSS ACCOUNT**

For the year ended 30 November 1998

	Note	1998 £	1997 £
Rents receivable		934,502	928,970
Profit on disposal of investment property		<u>21,500</u>	<u>-</u>
		956,002	928,970
Administrative expenses		<u>(20,933)</u>	<u>(8,730)</u>
Profit on ordinary activities before interest payable		935,069	920,240
Interest payable	2	<u>(13,501,578)</u>	<u>(12,158,691)</u>
Loss on ordinary activities before taxation	3	<u>(12,566,509)</u>	<u>(11,238,451)</u>
Tax credit arising from loss on ordinary activities	4	<u>1,151,664</u>	<u>1,051,422</u>
Loss for the financial year	5/13	<u><u>(11,414,845)</u></u>	<u><u>(10,187,029)</u></u>

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

**PLANDSMARP INVESTMENTS LIMITED**

BALANCE SHEET AT 30 November 1998

	Note	£	1998 £	£	1997 £
<b>Fixed assets</b>					
Tangible assets	6		7,730,000		7,050,530
<b>Current assets</b>					
Debtors	7	47,076		39,373	
Cash at bank		3,998		3,793	
		<u>51,074</u>		<u>43,166</u>	
<b>Creditors: amounts falling due within one year</b>					
Bank advances	9	115,499,739		104,140,036	
Creditors	8	<u>2,591,965</u>		<u>2,144,254</u>	
<b>Net current liabilities</b>			<u>(118,040,630)</u>		<u>(106,241,124)</u>
<b>Total assets less current liabilities</b>			<u>(110,310,630)</u>		<u>(99,190,594)</u>
<b>Creditors: amounts falling due after more than one year</b>					
Amounts owed to group companies	10		<u>(696,687)</u>		<u>(1,101,878)</u>
			<u>(111,007,317)</u>		<u>(100,292,472)</u>
<b>Capital and reserves</b>					
Called up share capital	11		134		134
Revaluation and capital reserves	12		4,363,412		3,641,912
Profit and loss account					
Accumulated losses	5		<u>(115,370,863)</u>		<u>(103,934,518)</u>
<b>Shareholders' funds</b>	13		<u>(111,007,317)</u>		<u>(100,292,472)</u>
Equity shareholder's funds	13		<u>(111,007,351)</u>		<u>(100,292,506)</u>
Non-equity shareholder's funds	13		<u>34</u>		<u>34</u>
			<u>(111,007,317)</u>		<u>(100,292,472)</u>

The financial statements were approved by the Board of Directors on 13 January 1999

Mrs W M Linnett

*W M Linnett*

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# PLANDSMARP INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 1998

### 1 ACCOUNTING POLICIES

#### a) General

All accounting policies are consistent with those applied in the previous year.

#### b) Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets and incorporate the results of the principal activity which is described in the Directors' Report and which is continuing.

#### c) Going concern

These financial statements have been prepared on a going concern basis on the assumption that the company's bankers and parent company will continue to provide support for the foreseeable future.

#### d) Property values

Investment properties are included at valuation by a director at 30 November 1998.

#### e) Deferred taxation

Deferred taxation is provided under the liability method. Where the directors consider that the liability is unlikely to become payable in the foreseeable future no provision is made.

### 2 INTEREST PAYABLE

	1998 £	1997 £
Interest payable on:		
Bank advances repayable within five years other than by instalments	12,602,656	11,349,297
Group company advances		
Mortgage interest	1,125	1,440
Loan interest - Note 10(a)	897,797	807,954
	<u>13,501,578</u>	<u>12,158,691</u>



**PLANDSMARP INVESTMENTS LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 November 1998

**3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging:

	1998 £	1997 £
Auditors' remuneration	<u>2,000</u>	<u>2,000</u>

**4 TAXATION**

U K taxation consists of:

	1998 £	1997 £
Amounts due for group relief	1,153,310	1,051,422
Adjustments to amounts due for group relief in previous year	(1,646)	-
	<u>1,151,664</u>	<u>1,051,422</u>

**5 PROFIT AND LOSS ACCOUNT**

	1998 £	1997 £
At 1 December 1997 (deficit)	(103,934,518)	(93,747,489)
Loss for the year	(11,414,845)	(10,187,029)
Transfer to capital reserve	(21,500)	-
At 30 November 1998 (deficit)	<u>(115,370,863)</u>	<u>(103,934,518)</u>

**6 TANGIBLE FIXED ASSETS**

	1998 £	1997 £
Freehold investment properties		
Cost or valuation		
At 1 December 1997	7,050,530	7,050,530
Surplus on revaluation	700,000	-
Disposal	(20,530)	-
At 30 November 1998	<u>7,730,000</u>	<u>7,050,530</u>

All properties are shown in the financial statements at their balance sheet figures at 30 November 1998, being a director's opinion of the current market values.

No provision has been made for deferred taxation because any likely disposal would result in a chargeable gain which would be covered by available losses.

**PLANDSMARP INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 November 1998

**7 DEBTORS**

	1998 £	1997 £
Trade debtors	-	4,881
Sundry debtors	47,076	32,151
Prepayments and accrued income	-	2,341
	<u>47,076</u>	<u>39,373</u>

**8 CREDITORS**

	1998 £	1997 £
Amounts falling due within one year		
Bank overdraft	321,319	71,633
Accruals and deferred income	<u>2,270,646</u>	<u>2,072,621</u>
	<u>2,591,965</u>	<u>2,144,254</u>

**9 BANK ADVANCES**

The company's indebtedness to its bankers is secured by first legal charges over certain investment properties as follows:

Charterhouse Bank Limited	Ballards Lane Finchley London N3
	Strathville Road London SW18
Barclays Bank PLC	Willen House Bath Street London EC1

**PLANDSMARP INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 November 1998

**10 AMOUNTS OWED BY/(TO) GROUP COMPANIES**

	1998 £	1997 £
Charles Street Buildings (Leicester) Limited		
Current account	6,188,370	5,705,336
Less: Mortgage account	-	(12,000)
	6,188,370	5,693,336
Less: Loan account - Note 10(a)	(6,885,057)	(6,795,214)
Amount owed to holding company	(696,687)	(1,101,878)

- a The loan account carries interest at the rate of 6% above Barclays Bank PLC base rate and is secured by a second legal charge over the investment property, Willen House, Bath Street, London EC1.

The above account is repayable after two and within five years.

**11 SHARE CAPITAL**

	1998 and 1997 £
Authorised, allotted, called up and fully paid	
100 ordinary shares of £1 each	100
34 non-cumulative 5% preference shares of £1 each	34
	<u>134</u>

**Preference shares**

The non-cumulative 5% preference shares are non-equity shares which carry an entitlement to a fixed non-cumulative preferential dividend at the rate of 5% per annum, such dividend to be paid as regards each financial year out of the profits of such financial year only. Preference share holders have the right on a winding up to receive £1 per share in priority to the holders of the ordinary shares.

**PLANDSMARP INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 November 1998

**12 REVALUATION AND CAPITAL RESERVES**

	Revaluation reserve £	Capital reserve £	Total £
At 1 December 1997	3,585,378	56,534	3,641,912
Transfer from profit and loss account	-	21,500	21,500
Transfer	(7,614)	7,614	-
Surplus on revaluation	700,000	-	700,000
At 30 November 1998	<u>4,277,764</u>	<u>85,648</u>	<u>4,363,412</u>

Revaluation reserve arises from the revaluation of freehold investment properties.

**13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1998 £	1997 £
Loss for the financial year	(11,414,845)	(10,187,029)
Surplus on revaluation of fixed assets	700,000	-
Shareholders' funds at 1 December 1997	<u>(100,292,472)</u>	<u>(90,105,443)</u>
Shareholders' funds at 30 November 1998	<u>(111,007,317)</u>	<u>(100,292,472)</u>
Attributable to:		
Equity shareholders	(111,007,351)	(100,292,506)
Non-equity shareholders		
Non-cumulative 5% preference shares	<u>34</u>	<u>34</u>
	<u>(111,007,317)</u>	<u>(100,292,472)</u>

**14 CAPITAL COMMITMENTS**

The company had no capital commitments at 30 November 1998 or 30 November 1997.

**15 TRANSACTIONS WITH RELATED PARTIES**

The company is a wholly owned subsidiary of Charles Street Buildings (Leicester) Limited and is not included within the consolidated financial statements for the group. As a result FRS 8 requires disclosures of all transactions by the company with all members of the group headed by Charles Street Buildings (Leicester) Limited.

At 30 November 1998 a net balance of £696,687 was owed by the company to Charles Street Buildings (Leicester) Limited, as shown in note 10.

Interest of £898,922 as shown in note 2, has been charged by Charles Street Buildings (Leicester) Limited during the year.

It is intended that group relief for the current year will be surrendered to group companies for a consideration of £1,153,310.

**PLANDSMARP INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 November 1998

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**16 ULTIMATE PARENT UNDERTAKING/CONTROLLING RELATED PARTY**

The ultimate parent undertaking of this company is its parent company, Charles Street Buildings (Leicester) Limited.

Charles Street Buildings (Leicester) Limited is the company's controlling related party under the definitions set out in FRS 8 by virtue of its shareholding in the company.