

PLANDSMARP INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 NOVEMBER 1999

Company no 01122022



PLANDSMARP INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 30 November 1999

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PLANDSMARP INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 November 1999.

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 £12,555,660. The loss has been transferred to reserves.

Rental income has increased substantially following the acquisition of two sites in Leicester from the parent company.

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 1998 and 30 November 1999, 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	
	1999	1998	1999	1998
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.

Year 2000

The company's computer systems were Year 2000 compliant and no problems have been encountered to date.

PLANDSMARP INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

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.

Fixed assets

Investment properties are included as follows:

Willen House at a valuation of £5,000,000 (1998 : £5,000,000)

Properties acquired during the year are included at cost.

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:

856 Melton Road
Thurmaston
Leicester
LE4 8BT

13 January 2000

REPORT OF THE AUDITORS TO THE MEMBERS OF

PLANDSMARP INVESTMENTS LIMITED

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 2 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 investment properties shown in these financial statements have been included at a valuation made by a director and at cost. 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 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Sedley Richard Laurence Voulter

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

London
W1R 9TG

13 January 2000

PLANDSMARP INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 30 November 1999

	Note	1999 £	1998 £
Rents receivable		1,270,888	934,502
Profit on disposal of investment property		<u>66,710</u>	<u>21,500</u>
		1,337,598	956,002
Administrative expenses		<u>(37,567)</u>	<u>(20,933)</u>
Profit on ordinary activities before interest payable		1,300,031	935,069
Interest payable	2	<u>(14,371,952)</u>	<u>(13,501,578)</u>
Loss on ordinary activities before taxation	3	<u>(13,071,921)</u>	<u>(12,566,509)</u>
Tax credit arising from loss on ordinary activities	4	<u>516,261</u>	<u>1,151,664</u>
Loss for the financial year	5/13	<u>(12,555,660)</u>	<u>(11,414,845)</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 1999

	Note	£	1999 £	£	1998 £
Fixed assets					
Tangible assets	6		14,311,805		7,730,000
Current assets					
Debtors	7	48,148		47,076	
Cash at bank		12,799		3,998	
		<u>60,947</u>		<u>51,074</u>	
Creditors: amounts falling due within one year					
Bank advances	9	10,550,000		115,499,739	
Creditors	8	125,864,724		2,591,965	
Net current liabilities			<u>(136,353,777)</u>		<u>(118,040,630)</u>
Total assets less current liabilities			<u>(122,041,972)</u>		<u>(110,310,630)</u>
Creditors: amounts falling due after more than one year					
Amounts owed to group companies	10		<u>(1,521,005)</u>		<u>(696,687)</u>
			<u>(123,562,977)</u>		<u>(111,007,317)</u>
Capital and reserves					
Called up share capital	11		134		134
Revaluation and capital reserves	12		4,430,122		4,363,412
Profit and loss account					
Accumulated losses	5		<u>(127,993,233)</u>		<u>(115,370,863)</u>
Shareholders' funds	13		<u>(123,562,977)</u>		<u>(111,007,317)</u>
Equity shareholder's funds	13		<u>(123,563,011)</u>		<u>(111,007,351)</u>
Non-equity shareholder's funds	13		<u>34</u>		<u>34</u>
			<u>(123,562,977)</u>		<u>(111,007,317)</u>

The financial statements were approved by the Board of Directors on 13 January 2000.

Mrs 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 1999

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, its parent company and the Charles Street Group Funded Unapproved Retirement Benefits Scheme will continue to provide support for the foreseeable future.

d) Property values

Investment properties are included at a valuation by a director at 30 November 1999 and at cost.

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

	1999 £	1998 £
Interest payable on:		
Bank advances repayable within five years other than by instalments	2,304,923	12,602,656
The Charles Street Group FURBS	11,654,060	-
Group company advances		
Mortgage interest	-	1,125
Loan interest - Note 10(a)	412,969	897,797
	<u>14,371,952</u>	<u>13,501,578</u>

PLANDSMARP INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 1999

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	1999 £	1998 £
Auditors' remuneration	<u>2,000</u>	<u>2,000</u>

4 TAXATION

U K taxation consists of:

	1999 £	1998 £
Amounts due for group relief	516,261	1,153,310
Adjustments to amounts due for group relief in previous year	-	(1,646)
	<u>516,261</u>	<u>1,151,664</u>

5 PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
At 1 December 1998 (deficit)	(115,370,863)	(103,934,518)
Loss for the year	(12,555,660)	(11,414,845)
Transfer to capital reserve	(66,710)	(21,500)
At 30 November 1999 (deficit)	<u>(127,993,233)</u>	<u>(115,370,863)</u>

6 TANGIBLE FIXED ASSETS

	1999 £	1998 £
Freehold investment properties		
Cost or valuation		
At 1 December 1998	7,730,000	7,050,530
Additions	9,311,805	-
Surplus on revaluation	-	700,000
Disposal	(2,730,000)	(20,530)
At 30 November 1999	<u>14,311,805</u>	<u>7,730,000</u>

All properties are shown in the financial statements at their balance sheet figures at 30 November 1999. Willen House is included at a director's valuation of £5,000,000 and properties acquired during the year are included at cost.

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 1999

7 DEBTORS

	1999 £	1998 £
Trade debtors	47,540	-
Amount due from fellow subsidiary company	608	-
Sundry debtors	-	47,076
	<u>48,148</u>	<u>47,076</u>

8 CREDITORS

	1999 £	1998 £
Amounts falling due within one year		
Bank overdraft	-	321,319
Accruals and deferred income	274,784	2,270,646
The Charles Street Group FURBS	113,935,880	-
Accrued interest payable to The Charles Street Group FURBS	11,654,060	-
	<u>125,864,724</u>	<u>2,591,965</u>

9 BANK ADVANCES

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

Barclays Bank PLC	Willen House Bath Street London EC1
Allied Irish Bank (GB)	Mill Lane Glenfield Leicester
	Aylestone Road Leicester

PLANDSMARP INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 1999

10 AMOUNTS OWED BY/(TO) GROUP COMPANIES

	1999 £	1998 £
Charles Street Buildings (Leicester) Limited		
Current account	4,661,964	6,188,370
Less: Loan account - Note 10(a)	<u>(6,182,969)</u>	<u>(6,885,057)</u>
Amount owed to holding company	<u>(1,521,005)</u>	<u>(696,687)</u>

- a The loan account carries interest at 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

	1999 and 1998 £
Authorised, allotted, called up and fully paid	
100 ordinary shares of £1 each	100
34 non-cumulative 5% preference shares of £1 each	<u>34</u>
	<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 1999

12 REVALUATION AND CAPITAL RESERVES

	Revaluation reserve £	Capital reserve £	Total £
At 1 December 1998	4,277,764	85,648	4,363,412
Transfer from profit and loss account	-	66,710	66,710
Transfer	(1,135,416)	1,135,416	-
At 30 November 1999	<u>3,142,348</u>	<u>1,287,774</u>	<u>4,430,122</u>

The revaluation reserve relates to Willen House.

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Loss for the financial year	(12,555,660)	(11,414,845)
Surplus on revaluation of fixed assets	-	700,000
Shareholders' funds at 1 December 1998	<u>(111,007,317)</u>	<u>(100,292,472)</u>
Shareholders' funds at 30 November 1999	<u>(123,562,977)</u>	<u>(111,007,317)</u>
Attributable to:		
Equity shareholders	(123,563,011)	(111,007,351)
Non-equity shareholders		
Non-cumulative 5% preference shares	<u>34</u>	<u>34</u>
	<u>(123,562,977)</u>	<u>(111,007,317)</u>

14 CAPITAL COMMITMENTS

The company had no capital commitments at 30 November 1999 or 30 November 1998.

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 disclosure of all transactions by the company with all members of the group headed by Charles Street Buildings (Leicester) Limited.

At 30 November 1999 a net balance of £1,521,005 was owed by the company to Charles Street Buildings (Leicester) Limited, as shown in note 10.

Interest of £412,969 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 £516,261.

On 1 June 1999 the company acquired two sites in Leicester for £9,300,000 from Charles Street Buildings (Leicester) Limited.

PLANDSMARP INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 1999

15 TRANSACTIONS WITH RELATED PARTIES (continued)

On 26 May 1999 the company sold its property at 53/55 Ballards Lane, Finchley, London, N3, to Westmoreland Investments Limited for £400,000. Westmoreland Investments Limited is a wholly owned subsidiary of Charles Street Buildings (Leicester) Limited.

On 22 January 1999 the company's indebtedness of £113,935,880 with Charterhouse Bank Limited was transferred to the Trustee of The Charles Street Group FURBS. Mrs W M Linnett, a director of this company and the parent company, and Mr H P Murphy, who is a director of the parent company, are beneficiaries of the FURBS. The parent company is the principal employer under the trust deed of The Charles Street Group FURBS.

Interest of £11,654,060 as shown in note 2 payable to The Charles Street Group FURBS has been provided in these accounts.

The figures of £113,935,880 and £11,654,060 as noted above are included in creditors (see note 8).

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.