



**PLANDSMARP INVESTMENTS LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 NOVEMBER 2004

Company No. 01122022

# **PLANDSMARP INVESTMENTS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS**

For the year ended 30 November 2004

---

### **CONTENTS**

|                                   |        |
|-----------------------------------|--------|
| REPORT OF THE DIRECTORS           | 1 - 2  |
| INDEPENDENT AUDITORS' REPORT      | 3 - 4  |
| PROFIT AND LOSS ACCOUNT           | 5      |
| BALANCE SHEET                     | 6      |
| NOTES TO THE FINANCIAL STATEMENTS | 7 - 11 |

# PLANDSMARP INVESTMENTS LIMITED

## REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 30 November 2004.

### Principal activity

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 £22,785,750 (2003 : £19,831,731). In view of the deficit on reserves the directors cannot recommend payment of a dividend and the loss has been transferred from reserves.

### 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.

Mr J H Williamson resigned from the Board on 14 December 2004 and Mr H P Murphy was appointed as a director on that date.

The interests of the directors in the shares of the company at 1 December 2003 and 30 November 2004, 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<br>5% preference<br>shares of £1 each |      |
|-----------------|--------------------|------|--|------|
|                 | 2004               | 2003 | 2004   | 2003 |
| 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 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)**

---

### **Fixed assets**

Investment properties are included as follows:

Willen House at a valuation of £5,000,000 (2003 : £5,000,000)

All other properties are included at cost.

The above is not in accordance with Statement of Standard Accounting Practice No. 19 in connection with investment properties as all properties should be included at their market value.

The directors have carefully considered the contents of the Statement of Standard Accounting Practice No. 19 in connection with investment properties. They do not consider that a revaluation along the lines suggested in the Standard would be practical nor that they would have any meaningful value to readers of the financial statements since there is no intention to sell any land and buildings as these are held as long term investments.

Accordingly no valuation of the company's interest in freehold land and buildings has been made. The directors are however, of the opinion that the market value is significantly in excess of 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 Vouters 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  
31 January, 2005

# REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF

## PLANDSMARP INVESTMENTS LIMITED

We have audited the financial statements of Plandsmarp Investments Limited on pages 5 to 11 for the year ended 30 November 2004. These financial statements have been prepared under the accounting policies set out on page 7.

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 opinions we have formed.

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

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 (iii). Our opinion is not qualified in this respect.

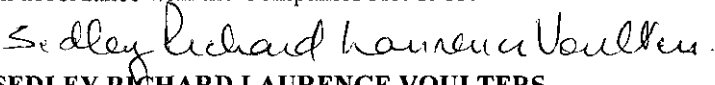
REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
**PLANDSMARP INVESTMENTS LIMITED**

---

**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. In the absence of a formal valuation we are unable to quantify the effect of this departure on the balance sheet. There is no effect on the result of the company for the year.

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 2004 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**

1 Conduit Street  
London  
W1S 2XA  
31 January, 2005

# PLANDSMARP INVESTMENTS LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 30 November 2004

|  | Note | 2004<br>£           | 2003<br>£           |
|--|------|---------------------|---------------------|
| Rents receivable   |      | 1,900,235           | 1,882,299           |
| Consideration for surrender of lease                         |      | -                   | 7,500               |
| Administrative expenses                                      |      | (632,264)           | (31,637)            |
| <b>Profit on ordinary activities before interest payable</b> |      | <b>1,267,971</b>    | <b>1,858,162</b>    |
| Interest payable and similar charges                         | 2    | (24,053,721)        | (21,689,893)        |
| <b>Loss on ordinary activities before taxation</b>           | 3    | <b>(22,785,750)</b> | <b>(19,831,731)</b> |
| Tax credit arising from the loss on ordinary activities      | 4    | -                   | -                   |
| <b>Loss for the financial year</b>                           | 5/13 | <b>(22,785,750)</b> | <b>(19,831,731)</b> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

The accompanying accounting policies and notes 1 to 16 form an integral part of these financial statements.

# PLANDSMARP INVESTMENTS LIMITED

## BALANCE SHEET AT 30 NOVEMBER 2004

|  | Note | 2004                 | 2003                 |
|--|------|----------------------|----------------------|
|  |      | £                    | £                    |
| <b>Fixed assets</b>  |      |                      |                      |
| Tangible assets  | 6    | 14,594,853           | 14,578,093           |
| <b>Current assets</b>  |      |                      |                      |
| Debtors  | 7    | 156,344              | 60,140               |
| Cash at bank   |      | 41,681               | 35,548               |
|  |      | <u>198,025</u>       | <u>95,688</u>        |
| <b>Creditors: amounts falling due within one year</b>          |      |                      |                      |
| Bank advances  | 9    | 8,250,000            | 8,650,000            |
| Creditors  | 8    | 218,216,158          | 195,715,182          |
|  |      | <u>226,466,158</u>   | <u>204,365,182</u>   |
| <b>Net current liabilities</b>                                 |      | <b>(226,268,133)</b> | <b>(204,269,494)</b> |
| Total assets less current liabilities                          |      | <b>(211,673,280)</b> | <b>(189,691,401)</b> |
| <b>Creditors: amounts falling due after more than one year</b> |      |                      |                      |
| Amounts owed to group companies                                | 10   | (2,634,033)          | (1,830,162)          |
|  |      | <u>(214,307,313)</u> | <u>(191,521,563)</u> |
| <b>Capital and reserves</b>                                    |      |                      |                      |
| Called up share capital  | 11   | 134                  | 134                  |
| Revaluation and capital reserves                               | 12   | 4,430,122            | 4,430,122            |
| Profit and loss account  |      |                      |                      |
| Accumulated losses   | 5    | (218,737,569)        | (195,951,819)        |
| <b>Shareholders' funds</b>                                     | 13   | <b>(214,307,313)</b> | <b>(191,521,563)</b> |
| Equity shareholder's funds                                     | 13   | (214,307,347)        | (191,521,597)        |
| Non-equity shareholder's fund                                  | 13   | 34                   | 34                   |
|  |      | <u>(214,307,313)</u> | <u>(191,521,563)</u> |

The financial statements were approved by the Board of Directors on 31 January, 2005.

Mrs W M Linnett



Director

The accompanying accounting policies and notes 1 to 16 form an integral part of these financial statements.



# PLANDSMARP INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2004

---

### 1. ACCOUNTING POLICIES

(i) General

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

(ii) Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of one freehold investment property and incorporate the results of the principal activity which is described in the Directors' report and which is continuing. The company has taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent of the voting rights are controlled within the group.

(iii) 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.

(iv) Rental income

Rental income comprises rent receivable from freehold investment properties.

(v) Investment Properties

Investment properties are stated at cost or valuation. As detailed in the Directors' report, the financial statements have not been revised to incorporate the market value of investment properties as required by Statement of Standard Accounting Practice No.19.

*No depreciation is provided on investment properties comprising freehold investment properties. This policy represents a departure from statutory accounting principles, which requires depreciation to be provided on all fixed assets, but is in accordance with Statement of Standard Accounting Practice No. 19.*

(vi) Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

# PLANDSMARP INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2004

### 2. INTEREST PAYABLE AND SIMILAR CHARGES

|   | 2004<br>£         | 2003<br>£         |
|---|-------------------|-------------------|
| Interest payable on   |                   |                   |
| Bank advances repayable within five years other than by instalments | 485,025           | 589,828           |
| The Charles Street Group FURBS debt                                 | 23,403,549        | 20,948,887        |
| Group company advances  |                   |                   |
| Loan interest - Note 10(a)  | <u>165,147</u>    | <u>151,178</u>    |
|   | <u>24,053,721</u> | <u>21,689,893</u> |

### 3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

|                        | 2004<br>£    | 2003<br>£    |
|------------------------|--------------|--------------|
| Auditors' remuneration | <u>3,000</u> | <u>3,000</u> |

### 4. TAXATION

No taxation arises during the year (2003 - £Nil).

There is no tax assessed for the year due to the availability of excess management expenses as noted below. The differences are explained as follows:

|   | 2004<br>£           | 2003<br>£           |
|---|---------------------|---------------------|
| Loss on ordinary activities before tax  | <u>(22,785,750)</u> | <u>(19,831,731)</u> |
| Loss on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 30% (2003: 30%) | (6,835,725)         | (5,949,519)         |
| Expenses not deductible for tax purposes  | 7,021,065           | 6,282,980           |
| Capital allowances for the year in excess of depreciation   | (14,378)            | (14,516)            |
| Utilisation of management expenses  | <u>(170,962)</u>    | <u>(318,945)</u>    |
| Current tax charge for year   | -                   | -                   |

No provision has been made for a potential deferred tax asset of £32,732,317 (2003 : £25,897,005) on the basis that the recovery of such tax assets is unlikely.

# PLANDSMARP INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2004

### 5. PROFIT AND LOSS ACCOUNT

|                               | 2004<br>£            | 2003<br>£            |
|-------------------------------|----------------------|----------------------|
| At 1 December 2003 (deficit)  | (195,951,819)        | (176,120,088)        |
| Loss for the year             | (22,785,750)         | (19,831,731)         |
| At 30 November 2004 (deficit) | <u>(218,737,569)</u> | <u>(195,951,819)</u> |

### 6. TANGIBLE FIXED ASSETS

|                                | 2004<br>£         | 2003<br>£         |
|--------------------------------|-------------------|-------------------|
| Freehold investment properties |                   |                   |
| Cost or valuation              |                   |                   |
| At 1 December 2003             | 14,578,093        | 14,530,184        |
| Additions                      | 16,760            | 47,909            |
| At 30 November 2004            | <u>14,594,853</u> | <u>14,578,093</u> |

All properties are shown in the financial statements at their balance sheet figure at 30 November 2004. Willen House is included at a director's valuation of £5,000,000, and all other properties are included at cost.

### 7. DEBTORS

|               | 2004<br>£      | 2003<br>£     |
|---------------|----------------|---------------|
| Trade debtors | <u>156,344</u> | <u>60,140</u> |

### 8. CREDITORS

|  | 2004<br>£          | 2003<br>£          |
|--|--------------------|--------------------|
| Amounts falling due within one year                        |                    |                    |
| Trade creditors  | 168,303            | -                  |
| Accruals and deferred income                               | 252,536            | 273,637            |
| The Charles Street Group FURBS                             | 110,942,840        | 111,992,616        |
| Accrued interest payable to the Charles Street Group FURBS | 106,852,479        | 83,448,929         |
|  | <u>218,216,158</u> | <u>195,715,182</u> |

# PLANDSMARP INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2004

### 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<br>Bath Street<br>London<br>EC1 |
| Allied Irish Bank (GB) | Mill Lane<br>Glenfield<br>Leicester          |
|                        | Aylestone Road<br>Leicester                  |

### 10. AMOUNTS OWED BY/(TO) GROUP COMPANIES

|  | 2004<br>£          | 2003<br>£          |
|--|--------------------|--------------------|
| Charles Street Buildings (Leicester) Limited |                    |                    |
| Current account                              | 1,151,213          | 2,198,258          |
| Less: Loan account - Note 10(a)              | (3,785,246)        | (4,028,420)        |
| Amount owed to holding company               | <u>(2,634,033)</u> | <u>(1,830,162)</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

|   | 2004 and 2003<br>£ |
|---|--------------------|
| 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 2004

### 12. REVALUATION AND CAPITAL RESERVES

|   | Revaluation<br>reserve<br>£ | Capital<br>reserve<br>£ | Total<br>£       |
|---|-----------------------------|-------------------------|------------------|
| At 1 December 2003 and 30 November 2004 | <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

|   | 2004<br>£            | 2003<br>£            |
|---|----------------------|----------------------|
| Loss for the financial year             | (22,785,750)         | (19,831,731)         |
| Shareholders' funds at 1 December 2003  | <u>(191,521,563)</u> | <u>(171,689,832)</u> |
| Shareholders' funds at 30 November 2004 | <u>(214,307,313)</u> | <u>(191,521,563)</u> |
| Attributable to:                        |                      |                      |
| Equity shareholder                      | (214,307,347)        | (191,521,597)        |
| Non-equity shareholder                  |                      |                      |
| Non-cumulative 5% preference shares     | <u>34</u>            | <u>34</u>            |
|   | <u>(214,307,313)</u> | <u>(191,521,563)</u> |

### 14. CAPITAL COMMITMENTS

The company had no capital commitments at 30 November 2004 or 30 November 2003.

### 15. TRANSACTIONS WITH RELATED PARTIES

As a company whose ordinary shares are wholly owned by Charles Street Buildings (Leicester) Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Charles Street Buildings (Leicester) Limited.

### 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.