

PLANDSMARP INVESTMENTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 NOVEMBER 2006

THURSDAY



AIH92O9H

A05

29/03/2007

655

COMPANIES HOUSE

Company No. 01122022

PLANDSMARP INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 30 November 2006

Index to the financial statements

Report of the directors	1 – 3
Report of the independent auditor	4 – 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 – 13

PLANDSMARP INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

The directors present their report together with the audited financial statements for the year ended 30 November 2006.

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 £23,668,834 (2005 : £24,521,460).

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 H P Murphy, Mrs W M Linnett, Mr R H Smith, Mrs M A Murphy and Mr P H Murphy.

Mr H P Murphy, Mrs W M Linnett and Mr R H Smith served on the Board throughout the year.

Mrs M A Murphy and Mr P H Murphy were appointed directors on 19 October 2006.

The interests of the directors in the shares of the company at 1 December 2005 and 30 November 2006, 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	
	2006	2005	2006	2005
Mr H P Murphy	-	-	-	-
Mrs W M Linnett	-	-	-	-
R H Smith	-	-	-	-
Mrs M A Murphy	-	-	-	-
Mr P H Murphy	-	-	-	-

Mr H P Murphy, Mrs W M Linnett, Mrs M A Murphy and Mr P H Murphy are directors of the ultimate parent company and their interests in shares of group companies are disclosed in the financial statements of that company

PLANDSMARP INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Directors' responsibilities for the financial statements

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 at the end of the year and of the profit or loss for the year then ended. 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 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.

In so far as the directors are aware;

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Fixed assets

Investment properties are included as follows:

All 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.

PLANDSMARP INVESTMENTS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

Close company

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

Auditor

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 February 2007

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF

PLANDSMARP INVESTMENTS LIMITED

We have audited the financial statements of Plandsmarp Investments Limited on pages 5 to 13 for the year ended 30 November 2006. These financial statements have been prepared under the accounting policies set out on page 8.

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

The directors' responsibilities for preparing the report of the directors and the financial statements in accordance with United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 and the information given in the report of the directors is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions not disclosed.

We read the report of the directors 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 International Standards on Auditing (UK and Ireland) 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 AUDITOR 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.

In our opinion, with the exception set out above,

-the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the companies affairs as at 30 November 2006 and of the loss for the year then ended;

-the financial statements have been properly prepared in accordance with the Companies Act 1985; and

-the information given in the report of the directors is consistent with the financial statements for the year ended 30 November 2006.

Sedley Richard Laurence Voulters

SEDLEY RICHARD LAURENCE VOULTERS
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

1 Conduit Street
London
W1S 2XA
13 February 2007

PLANDSMARP INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 November 2006

	Note	2006 £	2005 £
Rents receivable		1,236,319	1,842,886
Profit on sale of investment properties		3,474,753	0
Interest receivable		302	0
Dilapidations		0	457,370
		<u>4,711,374</u>	<u>2,300,256</u>
Administrative expenses		(17,171)	(109,975)
Profit on ordinary activities before interest payable		<u>4,694,203</u>	<u>2,190,281</u>
Interest payable and similar charges	2	(29,239,759)	(26,594,130)
Loss on ordinary activities before taxation	3	<u>(24,545,556)</u>	<u>(24,403,849)</u>
Tax credit/2005 charge on loss on ordinary activities	4	876,722	(117,611)
Loss for the financial year	5/13	<u>(23,668,834)</u>	<u>(24,521,460)</u>

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 2006

	Note	£	2006 £	£	2005 £
Fixed assets					
Tangible assets	6		7,641,903		14,594,853
Current assets					
Debtors	7	876,722		-	
Cash at bank		263,859		276,899	
		<u>1,140,581</u>		<u>276,899</u>	
Creditors: amounts falling due within one year					
Bank advances	9	750,000		8,000,000	
Creditors	8	270,530,091		245,677,877	
		<u>271,280,091</u>		<u>253,677,877</u>	
Net current liabilities			(270,139,510)		(253,400,978)
Total assets less current liabilities			<u>(262,497,607)</u>		<u>(238,806,125)</u>
Creditors: amounts falling due after more than one year					
Amounts owed to group companies	10		-		(22,648)
			<u>(262,497,607)</u>		<u>(238,828,773)</u>
Capital and reserves					
Called up share capital	11		134		134
Revaluation and capital reserves	12		7,904,875		4,430,122
Profit and loss account					
Accumulated losses	5		(270,402,616)		(243,259,029)
			<u>(262,497,607)</u>		<u>(238,828,773)</u>
Shareholders' funds	13				
Equity shareholder's funds	13		(262,497,641)		(238,828,807)
Non-equity shareholder's fund	13		34		34
			<u>(262,497,607)</u>		<u>(238,828,773)</u>

The financial statements were approved by the Board of Directors on 13 February 2007.

Mr H P Murphy



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 2006

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. 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 2006

2. INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £	2005 £
Interest payable on		
Bank advances repayable within five years other than by instalments	194,831	427,369
The Charles Street Group FURBS debt	29,036,514	26,004,209
Group company advances		
Loan interest	8,414	162,552
	<u>29,239,759</u>	<u>26,594,130</u>

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	2006 £	2005 £
Auditors' remuneration	<u>4,000</u>	<u>3,700</u>

4. TAXATION

(a) Analysis of credit in the year

	2006 £	2005 £
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 30% (2005: 30%)	(876,722)	117,611
Total current tax	<u>(876,722)</u>	<u>117,611</u>

PLANDSMARP INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2006

4. TAXATION (CONTINUED)

(b) Factors affecting tax credit

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005: 30%).

	2006 £	2005 £
Loss on ordinary activities before taxation	<u>(24,545,556)</u>	<u>(24,403,849)</u>
Loss on ordinary activities multiplied by rate of tax	(7,363,667)	(7,321,155)
Expenses not deductible for tax purposes	8,515,954	7,606,263
Capital allowances for the year in excess of depreciation	5,174	(12,604)
Utilisation of management expenses	(975,000)	(154,893)
Income not taxable	(1,042,426)	-
Sundries	(16,757)	-
	<u>(876,722)</u>	<u>117,611</u>
Total current tax (Note 4(a))		

No provision has been made for a potential deferred tax asset of £47,716,772 (2005 : £40,170,669) on the basis that the recovery of such tax assets is unlikely.

5. PROFIT AND LOSS ACCOUNT

	2006 £	2005 £
At 1 December 2005 (deficit)	(243,259,029)	(218,737,569)
Loss for the year	(23,668,834)	(24,521,460)
Transfer to capital reserve	(3,474,753)	-
	<u>(270,402,616)</u>	<u>(243,259,029)</u>
At 30 November 2006 (deficit)		

6. TANGIBLE FIXED ASSETS

	2006 £	2005 £
Freehold investment properties		
Cost or valuation		
At 1 December 2005	14,594,853	14,594,853
Disposals	(6,952,950)	-
	<u>7,641,903</u>	<u>14,594,853</u>
At 30 November 2006		

All properties are shown in the financial statements at cost.

PLANDSMARP INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2006

7. DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	<u>876,722</u>	<u>-</u>

8. CREDITORS

	2006 £	2005 £
Amounts falling due within one year		
Accruals and deferred income	147,360	216,249
Corporation tax	-	56,561
Other taxation	-	130,000
The Charles Street Group FURBS	109,789,530	109,789,530
Accrued interest payable to the Charles Street Group FURBS	160,593,201	132,206,687
Charles Street Buildings (Leicester) Limited	-	3,278,850
	<u>270,530,091</u>	<u>245,677,877</u>

9. BANK ADVANCES

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

Allied Irish Bank (GB) Mill Lane
 Glenfield
 Leicester

10. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006 £	2005 £
Amounts owed to Group companies:		
Charles Street Buildings (Leicester) Limited		
Current account	-	(22,648)
Amount owed to holding company	<u>-</u>	<u>(22,648)</u>

PLANDSMARP INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2006

11. SHARE CAPITAL

2006 and 2005
£

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.

12. REVALUATION AND CAPITAL RESERVES

	Revaluation reserve £	Capital reserve £	Total £
At 1 December 2005	3,142,348	1,287,774	4,430,122
Transfers	(3,142,348)	6,617,101	3,474,753
At 30 November 2006	<u>-</u>	<u>7,904,875</u>	<u>7,904,875</u>

The transfers relate to the sale of Willen House and Aylestone Road

PLANDSMARP INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2006

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Loss for the financial year	(23,668,834)	(24,521,460)
Shareholders' funds at 1 December 2005	(238,828,773)	(214,307,313)
	<u>(262,497,607)</u>	<u>(238,828,773)</u>
Shareholders' funds at 30 November 2006		
Attributable to:		
Equity shareholder	(262,497,641)	(238,828,807)
Non-equity shareholder		
Non-cumulative 5% preference shares	34	34
	<u>(262,497,607)</u>	<u>(238,828,773)</u>

14. CAPITAL COMMITMENTS

The company had no capital commitments at 30 November 2006 or 30 November 2005.

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.