



PLANDSMARP INVESTMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 NOVEMBER 2000

Company no 01122022

PLANDSMARP INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 30 November 2000

CONTENTS

	Page
REPORT OF THE DIRECTORS	1 - 2
REPORT OF THE AUDITORS	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE FINANCIAL STATEMENTS	6 - 10

PLANDSMARP INVESTMENTS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 November 2000.

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 £14,349,736. The loss has been transferred to reserves.

Rental income has increased substantially following the acquisition of two sites in Leicester in 1999.

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 1999 and 30 November 2000, 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	
	2000	1999	2000	1999
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.

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 (1999 : £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 have 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 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

26 January 2001

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

We have audited the financial statements on pages 4 to 10 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 in accordance with applicable United Kingdom law and accounting standards. 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 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(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. 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 profit 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 2000 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
W1R 9TG

26 January 2001

PLANDSMARP INVESTMENTS LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 November 2000

	Note	2000 £	1999 £
Rents receivable		1,764,819	1,270,888
Profit on disposal of investment property		<u>-</u>	<u>66,710</u>
		1,764,819	1,337,598
Administrative expenses		<u>(19,324)</u>	<u>(37,567)</u>
Profit on ordinary activities before interest payable		1,745,495	1,300,031
Interest payable	2	<u>(16,129,052)</u>	<u>(14,371,952)</u>
Loss on ordinary activities before taxation	3	<u>(14,383,557)</u>	<u>(13,071,921)</u>
Tax credit arising from loss on ordinary activities	4	<u>33,821</u>	<u>516,261</u>
Loss for the financial year	5/13	<u><u>(14,349,736)</u></u>	<u><u>(12,555,660)</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 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	6		14,433,985		14,311,805
Current assets					
Debtors	7	155,399		48,148	
Cash at bank		28,531		12,799	
		<u>183,930</u>		<u>60,947</u>	
Creditors: amounts falling due within one year					
Bank advances	9	10,550,000		10,550,000	
Creditors	8	<u>140,979,732</u>		<u>125,864,724</u>	
Net current liabilities			<u>(151,345,802)</u>		<u>(136,353,777)</u>
Total assets less current liabilities			<u>(136,911,817)</u>		<u>(122,041,972)</u>
Creditors: amounts falling due after more than one year					
Amounts owed to group companies	10		<u>(1,000,896)</u>		<u>(1,521,005)</u>
			<u>(137,912,713)</u>		<u>(123,562,977)</u>
Capital and reserves					
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		<u>(142,342,969)</u>		<u>(127,993,233)</u>
Shareholders' funds	13		<u>(137,912,713)</u>		<u>(123,562,977)</u>
Equity shareholder's funds	13		<u>(137,912,747)</u>		<u>(123,563,011)</u>
Non-equity shareholder's funds	13		<u>34</u>		<u>34</u>
			<u>(137,912,713)</u>		<u>(123,562,977)</u>

The financial statements were approved by the Board of Directors on 26 January 2001.

Mrs W M Linnett

Director

W M Linnett

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 2000

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 one freehold investment property 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) 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.

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

	2000 £	1999 £
Interest payable on:		
Bank advances repayable within five years other than by instalments	666,917	2,304,923
The Charles Street Group FURBS	15,120,794	11,654,060
Group company advances		
Loan interest - Note 10(a)	341,341	412,969
	<u>16,129,052</u>	<u>14,371,952</u>

PLANDSMARP INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2000

3 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	2000 £	1999 £
Auditors' remuneration	<u>2,500</u>	<u>2,000</u>

4 TAXATION

U K taxation consists of:

	2000 £	1999 £
Amounts due for group relief	85,087	516,261
Adjustments to amounts due for group relief in previous year	(51,266)	-
	<u>33,821</u>	<u>516,261</u>

5 PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
At 1 December 1999 (deficit)	(127,993,233)	(115,370,863)
Loss for the year	(14,349,736)	(12,555,660)
Transfer to capital reserve	-	(66,710)
At 30 November 2000 (deficit)	<u>(142,342,969)</u>	<u>(127,993,233)</u>

6 TANGIBLE FIXED ASSETS

	2000 £	1999 £
Freehold investment properties		
Cost or valuation		
At 1 December 1999	14,311,805	7,730,000
Additions	122,180	9,311,805
Disposals	-	(2,730,000)
At 30 November 2000	<u>14,433,985</u>	<u>14,311,805</u>

All properties are shown in the financial statements at their balance sheet figures at 30 November 2000. Willen House is included at a director's valuation of £5,000,000, and all other properties 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 2000

7 DEBTORS

	2000 £	1999 £
Trade debtors	51,456	47,540
Amount due from fellow subsidiary company	85,087	608
Prepayments	18,856	-
	<u>155,399</u>	<u>48,148</u>

8 CREDITORS

	2000 £	1999 £
Amounts falling due within one year		
Trade creditors	3,018	24
Accruals and deferred income	265,040	274,760
Amount due to fellow subsidiary company	940	-
The Charles Street Group FURBS	113,935,880	113,935,880
Accrued interest payable to The Charles Street Group FURBS	26,774,854	11,654,060
	<u>140,979,732</u>	<u>125,864,724</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 2000

10 AMOUNTS OWED BY/(TO) GROUP COMPANIES

	2000 £	1999 £
Charles Street Buildings (Leicester) Limited		
Current account	4,140,445	4,661,964
Less: Loan account - Note 10(a)	<u>(5,141,341)</u>	<u>(6,182,969)</u>
Amount owed to holding company	<u>(1,000,896)</u>	<u>(1,521,005)</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

	2000 and 1999 £
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 2000

12 REVALUATION AND CAPITAL RESERVES

	Revaluation reserve £	Capital reserve £	Total £
At 1 December 1999 and 30 November 2000	<u>3,142,348</u>	<u>1,278,774</u>	<u>4,430,122</u>

The revaluation reserve relates to Willen House.

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Loss for the financial year	(14,349,736)	(12,555,660)
Shareholders' funds at 1 December 1999	<u>(123,562,977)</u>	<u>(111,007,317)</u>
Shareholders' funds at 30 November 2000	<u>(137,912,713)</u>	<u>(123,562,977)</u>
Attributable to:		
Equity shareholders	(137,912,747)	(123,563,011)
Non-equity shareholders		
Non-cumulative 5% preference shares	<u>34</u>	<u>34</u>
	<u>(137,912,713)</u>	<u>(123,562,977)</u>

14 CAPITAL COMMITMENTS

The company had no capital commitments at 30 November 2000 or 30 November 1999.

15 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.