

**ASTICUS (GMS) LIMITED**  
**(Registered number 2514463)**

**ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 2001**



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**COMPANIES HOUSE**

**0851**  
**06/04/02**

**PKF**

ASTICUS (GMS) LIMITED  
ANNUAL REPORT  
YEAR ENDED 31 DECEMBER 2001

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**ASTICUS (GMS) LIMITED  
DIRECTORS' REPORT**

The directors submit their report and the audited financial statements of the company for the year ended 31 December 2001.

**RESULTS**

The profit for the year after taxation and exceptional items amounted to £2,732,535 which is added to the profit carried forward. No dividend is recommended.

**PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The principal activity of the company is the leasing of property in central London.

**DIRECTORS**

The following directors served during the year:

Mr J Svedin  
Mr T A Seifert  
Mr P Banerjee  
Mr D Gibson

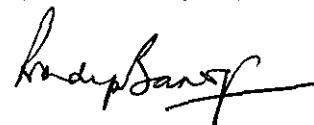
(Appointed 20 February 2001)

The directors had no interest during the year which required to be recorded in the register maintained by the company under Section 325 of the Companies Act 1985.

**AUDITORS**

A resolution to reappoint the auditors, PKF will be proposed at the annual general meeting.

ON BEHALF OF THE BOARD



P BANERJEE  
Director

14. 2. 2002

**ASTICUS (GMS) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for ensuring that the directors' report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF  
ASTICUS (GMS) LIMITED**

We have audited the financial statements of Asticus (GMS) Limited for the year ended 31 December 2001 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 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 audit 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 company's 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PKF

**PKF**  
Registered Auditors

London, UK

25 February 2002

**ASTICUS (GMS) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2001**

	<u>Notes</u>	<u>2001</u> £	<u>2000</u> £
Rents receivable		4,004,811	5,290,652
Operating costs		(599,765)	(616,173)
Administrative expenses		(43,347)	(194,876)
<b>Operating profit</b>	2	<b>3,361,699</b>	<b>4,479,603</b>
Exceptional items	6	-	(708,008)
Interest receivable and similar items	3	633,246	536,018
Interest payable and similar charges	4	(1,262,410)	(2,679,982)
<b>Profit on ordinary activities before taxation</b>		<b>2,732,535</b>	<b>1,627,631</b>
Taxation	5	-	-
<b>Retained profit for the year</b>	14	<b>2,732,535</b>	<b>1,627,631</b>

All amounts relate to continuing operations.

**ASTICUS (GMS) LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 DECEMBER 2001**

	<u>2001</u> £	<u>2000</u> £
Profit for the financial year	2,732,535	1,627,631
Unrealised surplus on revaluation	8,260	819,344
Total gains and losses recognised since last annual report	<u>2,740,795</u>	<u>2,446,975</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

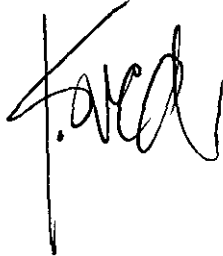
	<u>2001</u> £	<u>2000</u> £
Reported profit on ordinary activities after taxation	2,732,535	1,627,631
Realisation of property revaluation gains of previous years	-	7,302,895
Historical cost profit for the year retained after taxation	<u>2,732,535</u>	<u>8,930,526</u>

ASTICUS (GMS) LIMITED  
BALANCE SHEET  
AT 31 DECEMBER 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible asset	7	64,250,000	64,000,000
Investment	8	2	2
		<hr/>	<hr/>
		64,250,002	64,000,002
<b>CURRENT ASSETS</b>			
Debtors	9	19,746,887	17,551,989
Cash at bank and in hand		36,304	1,434,863
		<hr/>	<hr/>
		19,783,191	18,986,852
<b>CREDITORS</b>			
Amounts falling due within one year	10	(1,494,477)	(3,188,933)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		18,288,714	15,797,919
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		82,538,716	79,797,921
		<hr/>	<hr/>
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	(18,097,500)	(18,097,500)
		<hr/>	<hr/>
<b>NET ASSETS</b>		64,441,216	61,700,421
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	16,800,000	16,800,000
Capital contribution	12	19,600,000	19,600,000
Revaluation reserve	13	16,385,517	16,377,257
Profit and loss account	14	11,655,699	8,923,164
		<hr/>	<hr/>
<b>SHAREHOLDER'S FUNDS</b>	15	64,441,216	61,700,421
		<hr/>	<hr/>

Approved by the board on 14. 2. 2002

J SVEDIN



Director



**ASTICUS (GMS) LIMITED  
CASH FLOW STATEMENT  
YEAR ENDED 31 DECEMBER 2001**

	<u>Notes</u>	<u>2001</u> £	<u>2000</u> £
<b>Operating profit</b>		3,361,699	4,479,603
Increase in debtors		(2,755,964)	(7,721,089)
(Decrease) in creditors		(50,901)	(1,913,310)
Amortisation of deferred expenditure		533,333	533,333
		<hr/>	<hr/>
<b>Net cash inflow/(outflow) from operating activities</b>		<u>1,088,167</u>	<u>(4,621,463)</u>
 <b>CASHFLOW STATEMENT</b>			
Net cash inflow/(outflow) from operating activities		1,088,167	(4,621,463)
Returns on investments and servicing of finance	16	(663,557)	(2,056,461)
Capital (expenditure)/receipts	16	(1,823,169)	29,899,054
		<hr/>	<hr/>
<b>Cash (outflow)/inflow before financing</b>		(1,398,559)	23,221,130
 Financing	 16	 -	 (26,477,131)
		<hr/>	<hr/>
<b>(Decrease) in cash in the period</b>		<u>(1,398,559)</u>	<u>(3,256,001)</u>
 <b>Reconciliation of net cash flow movement to movement in net debt</b>			
	17		
(Decrease) in cash in the period		(1,398,559)	(3,256,001)
Cash outflow from decrease in debt		-	26,477,131
		<hr/>	<hr/>
<b>Movement in net debt in the period</b>		(1,398,559)	23,221,130
Net debt at 1 January 2001		(16,662,637)	(39,883,767)
		<hr/>	<hr/>
<b>Net debt at 31 December 2001</b>		<u>(18,061,196)</u>	<u>(16,662,637)</u>

**ASTICUS (GMS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2001**

**1 ACCOUNTING POLICIES**

**(a) Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, and in accordance with applicable accounting standards.

**(b) Investment property**

All costs associated with the acquisition and development of investment property, net of incidental receipts and including interest payable on loans taken out to finance the project, are capitalised.

In accordance with Statement of Standard Accounting Practice No. 19 (SSAP 19), investment property is stated in the balance sheet at open market value. Revaluation surpluses and deficits are taken to a revaluation reserve except to the extent that they represent reversals of deficits previously recognised through the profit and loss account.

Also in accordance with SSAP 19 no depreciation is provided in respect of investment property. This is a departure from the requirement of the Companies Act 1985 which requires all assets having a limited useful economic life to be depreciated. The directors consider this treatment necessary in order to show a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which would otherwise have been shown cannot be separately quantified.

**(c) Consolidated financial statements**

Consolidated accounts have not been prepared as permitted by section 228 of the companies Act 1985. The financial statements present information about the company as an individual undertaking and not about the group as a whole.

Investments in subsidiary undertakings are stated at cost.

**(d) Turnover**

Turnover represents the amounts, excluding value added tax, of rent and recharges received from the tenants.

**(e) Deferred taxation**

Provision is made for deferred tax, using the liability method, to the extent that it is probable that a liability will crystallise in the foreseeable future.

**(f) Foreign currency translation**

Assets and liabilities denominated in foreign currencies are translated to sterling at the rate prevailing at the balance sheet date. Transactions in foreign currencies are converted at the rate prevailing at the date of the transaction.

**ASTICUS (GMS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2001**

<b>2</b>	<b>OPERATING PROFIT</b>	<u><b>2001</b></u> <b>£</b>	<u><b>2000</b></u> <b>£</b>
	Operating profit is stated after charging:		
	Auditors' remuneration - for audit services	15,620	11,850
	- for other services	16,903	10,110
		<hr/>	<hr/>
	None of the directors received any emoluments from the company for their services.		
<b>3</b>	<b>INTEREST RECEIVABLE AND SIMILAR ITEMS</b>	<u><b>2001</b></u> <b>£</b>	<u><b>2000</b></u> <b>£</b>
	Group interest	551,304	359,726
	Bank interest	81,942	176,292
		<hr/>	<hr/>
		633,246	536,018
		<hr/>	<hr/>
<b>4</b>	<b>INTEREST PAYABLE AND SIMILAR CHARGES</b>	<u><b>2001</b></u> <b>£</b>	<u><b>2000</b></u> <b>£</b>
	Group interest	49,873	2,301
	Bank interest	1,212,537	2,677,681
		<hr/>	<hr/>
		1,262,410	2,679,982
		<hr/>	<hr/>
<b>5</b>	<b>TAXATION</b>		
	No taxation charge arises on the result for the year due to the availability of tax losses.		
<b>6</b>	<b>EXCEPTIONAL ITEMS</b>	<u><b>2001</b></u> <b>£</b>	<u><b>2000</b></u> <b>£</b>
	Loss on disposal of freehold property	-	(708,008)
		<hr/>	<hr/>

ASTICUS (GMS) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2001

**7 TANGIBLE FIXED ASSET**

	<b>Freehold investment property £</b>
<b>Cost or valuation</b>	
At 1 January 2001	64,000,000
Additions at cost	241,740
Revaluation - surplus taken to revaluation reserve	8,260
	<hr/>
At 31 December 2001	64,250,000
	<hr/>

At 31 December 2001 the freehold property is stated at a valuation by the directors following a professional open market valuation obtained from FPD Savills International Property Consultants at 30 September 2001. The valuation was carried out in accordance with the Practice Statements of the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual, and was undertaken by external valuers as defined in Practice Statement 5.

The historical cost of the property is £47,864,483 (2000: £47,622,743). Included in the cost are interest charges of £6,867,565 (2000: £6,867,565).

**8 FIXED ASSET INVESTMENT**

The fixed asset investment represents the cost of the company's holding of 100% of the issued ordinary £1 shares of Asticus (Marlborough) Limited.

Asticus (Marlborough) Limited is registered in England and Wales. At 31 December 2001 the reserves of Asticus (Marlborough) Limited were £199,472 (2000 : £199,472). The company was dormant during the year.

**9 DEBTORS**

	<b><u>2001</u> £</b>	<b><u>2000</u> £</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	53,399	53,399
Amounts due from group undertakings	12,866,379	10,122,191
Other debtors	-	27,732
Prepayments and accrued income	545,109	533,333
	<hr/>	<hr/>
	13,464,887	10,736,655
<b>Amounts falling due after more than one year:</b>		
Prepayments and accrued income	6,282,000	6,815,334
	<hr/>	<hr/>
	19,746,887	17,551,989
	<hr/>	<hr/>

**ASTICUS (GMS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2001**

<b>10</b>	<b>CREDITORS</b>	<u><b>2001</b></u> <b>£</b>	<u><b>2000</b></u> <b>£</b>
	<b>Amounts falling due within one year:</b>		
	Amount due to related party	-	26,243
	Amount due to subsidiary undertaking	199,472	199,472
	Taxation and social security	160,256	166,507
	Accruals and deferred income	1,134,749	2,796,711
		<u>1,494,477</u>	<u>3,188,933</u>
	<b>Amounts falling due after more than one year:</b>		
	Bank loan	<u>18,097,500</u>	<u>18,097,500</u>
	The bank loan represents an advance under a group revolving loan facility, ultimately repayable in November 2006.		
	The current advance expires on 28 February 2002 with the company having the option to rollover the loan.		
<b>11</b>	<b>CALLED UP SHARE CAPITAL</b>	<u><b>2001</b></u> <b>£</b>	<u><b>2000</b></u> <b>£</b>
	<b>Authorised</b>		
	20,000,000 ordinary shares of £1 each	20,000,000	20,000,000
	<b>Allotted, issued and fully paid</b>		
	16,800,000 ordinary shares of £1 each	<u>16,800,000</u>	<u>16,800,000</u>
	There has been no movement in share capital during the year.		
<b>12</b>	<b>CAPITAL CONTRIBUTION</b>		
	During 1998 a capital contribution was received from the company's parent undertaking, Stockned BV. This contribution is not repayable and bears no interest.		
<b>13</b>	<b>REVALUATION RESERVE</b>		<b>£</b>
	At 1 January 2001		16,377,257
	Revaluation surplus arising in the year		8,260
			<u>16,385,517</u>
	At 31 December 2001		<u>16,385,517</u>
<b>14</b>	<b>PROFIT AND LOSS ACCOUNT</b>		<b>£</b>
	At 1 January 2001		8,923,164
	Retained profit for the year		2,732,535
			<u>11,655,699</u>
	At 31 December 2001		<u>11,655,699</u>

ASTICUS (GMS) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2001

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

	<u>2001</u> £	<u>2000</u> £
Balance at 1 January 2001	61,700,421	59,253,446
Profit for the financial year	2,732,535	1,627,631
Revaluation surplus	8,260	819,344
	<hr/>	<hr/>
Balance at 31 December 2001	64,441,216	61,700,421
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**16 ANALYSIS OF CASHFLOW FOR HEADINGS NETTED IN THE CASHFLOW STATEMENT**

	<u>2001</u> £	<u>2000</u> £
<b>Returns on investment and servicing of finance</b>		
Interest received	660,978	506,898
Interest paid	(1,324,535)	(2,563,359)
	<hr/>	<hr/>
	(663,557)	(2,056,461)
	<hr/>	<hr/>
<b>Capital receipts/expenditure</b>		
Payments to acquire tangible fixed assets	(1,823,169)	(466,274)
Proceeds from sale of tangible fixed assets	-	30,365,328
	<hr/>	<hr/>
	(1,823,169)	29,899,054
	<hr/>	<hr/>
<b>Financing</b>		
Repayment of loans	-	(44,574,631)
New loans	-	18,097,500
	<hr/>	<hr/>
	-	(26,477,131)
	<hr/>	<hr/>

**17 ANALYSIS OF CHANGES IN NET DEBT**

	At 1 January <u>2001</u> £	Cash Flows £	At 31 December <u>2001</u> £
Cash in hand and at bank	1,434,863	(1,398,559)	36,304
Net debt due in more than one year	(18,097,500)	-	(18,097,500)
	<hr/>	<hr/>	<hr/>
	(16,662,637)	(1,398,559)	(18,061,196)
	<hr/>	<hr/>	<hr/>

**ASTICUS (GMS) LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 DECEMBER 2001**

**18 CONTINGENT LIABILITY**

A sale of the property owned by the company at its revalued amount could give rise to a corporation tax liability of approximately £2,475,000 (2000: £2,900,000).

No provision has been made for this contingent liability, as the directors have no present intention to dispose of the property.

**19 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY**

The company's immediate parent undertaking is Stockned Holding BV, a company incorporated in the Netherlands.

IVG Holding AG, a company incorporated in Germany is regarded by the directors as the ultimate parent company and ultimate controlling party, and is the parent undertaking of the largest and smallest group, for which group accounts are prepared.

Group accounts of IVG Holding AG are available to the public from Zanderstr. 5, D-53177 Bonn, Germany.

No disclosure has been made within these financial statements of any transactions or balances with group companies by virtue of the exemptions allowed by Financial Reporting Standard No.8.