

Company Number: 2846649

**COUNTRYWIDE RENTALS 4 PLC**

**ANNUAL REPORT**

**YEAR ENDED 31 DECEMBER 1999**



**PANNELL KERR FORSTER**  
Chartered Accountants

# **COUNTRYWIDE RENTALS 4 PLC**

## **COMPANY INFORMATION**

**Directors** M Beswick  
D Pickersgill  
I W Ward  
P D Taylor

**Secretary** M P Sowery

**Company Number** 2846649

**Registered Office** Holbeck House  
105 Albion Street  
Leeds  
LS1 5AS

**Auditors** Pannell Kerr Forster  
Chartered Accountants  
Pannell House  
6 Queen Street  
LEEDS  
LS1 2TW

# **COUNTRYWIDE RENTALS 4 PLC**

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# COUNTRYWIDE RENTALS 4 PLC

## DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 1999

The directors submit their report and the financial statements for the year ended 31 December 1999.

### Principal activity and review of the business

The principal activity of the company during the year was that of a property investment company.

The directors are satisfied with the results for the year. On 31 December 1999 the company transferred its assets, liabilities and operations to a fellow group company. The directors will continue to consider suitable business opportunities in the future.

### Results and dividends

The profit for the year, after taxation, amounted to **£82,792** (1998 - £66,770 ).

The directors do not propose the payment of a dividend and recommend that **£82,792** is transferred to reserves.

### Directors

The directors who served during the year were:

M Beswick  
D Pickersgill  
I W Ward  
P D Taylor

No directors had any beneficial interest in the share capital of any group company during the year.

### Payment policy and practice

The company's policy is to comply with the terms of payment agreed with a supplier. Where payment is made by the company's managing agent in accordance with the management agreement, the agent complies with the company's payment policy. Where terms are not negotiated, both the company and the agent endeavour to adhere to the supplier's standard terms.

The company itself had no trade creditors at the year end.

### Fixed assets

Details of movements in fixed assets during the year are set out in note 7 to the financial statements.

### Auditors

The auditors, Pannell Kerr Forster, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

10<sup>th</sup> FEBRUARY 2000

On behalf of the board

  
Director

( D. PICKERSGILL )

## **COUNTRYWIDE RENTALS 4 PLC**

### **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;
- 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 keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

**AUDITORS' REPORT TO THE SHAREHOLDERS OF  
COUNTRYWIDE RENTALS 4 PLC**

We have audited the financial statements on pages 4 to 14 which have been prepared under the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's 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. 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 affairs of the company as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Leeds

*10 February 2000*

*Pannell Kew Forster*  
Chartered Accountants  
Registered Auditors

**COUNTRYWIDE RENTALS 4 PLC**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 1999**

	Notes	1999 £	1998 £
<b>RENTAL INCOME</b>	<b>3</b>	<b>257,519</b>	272,090
Property expenses		(103,888)	(150,638)
<b>GROSS PROFIT</b>		<b>153,631</b>	121,452
Administrative expenses		(9,451)	(24,352)
<b>OPERATING PROFIT</b>	<b>4</b>	<b>144,180</b>	97,100
Loss on disposal of fixed assets		(41,318)	(11,653)
		<b>102,862</b>	85,447
Interest receivable and similar items	<b>5</b>	<b>21,881</b>	17,353
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>124,743</b>	102,800
<b>TAXATION</b>	<b>6</b>	<b>(41,951)</b>	(36,030)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>82,792</b>	66,770

All amounts relate to operations which were discontinued on 31 December 1999.

**COUNTRYWIDE RENTALS 4 PLC**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**YEAR ENDED 31 DECEMBER 1999**

	1999 £	1998 £
Profit for the financial year	82,792	66,770
Unrealised surplus on revaluation of properties	-	89,392
<b>Total recognised gains and losses relating to the year</b>	<u>82,792</u>	<u>156,162</u>

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

	1999 £	1998 £
Reported profit on ordinary activities before taxation	124,743	102,800
Realisation of property revaluation deficits of previous periods	(53,582)	(18,995)
<b>Historical cost profit on ordinary activities before taxation</b>	<u>71,161</u>	<u>83,805</u>
<b>Historical cost profit for the year retained after taxation</b>	<u>29,210</u>	<u>47,775</u>



**COUNTRYWIDE RENTALS 4 PLC**

**BALANCE SHEET**

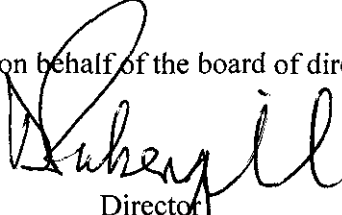
**31 DECEMBER 1999**

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible	7	-	3,181,692
<b>CURRENT ASSETS</b>			
Debtors	8	3,585,281	10,028
Cash at bank and in hand		-	348,892
		<u>3,585,281</u>	<u>358,920</u>
<b>CREDITORS: amounts falling due within one year</b>	9	-	(38,123)
<b>NET CURRENT ASSETS</b>		<u>3,585,281</u>	<u>320,797</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,585,281</u>	<u>3,502,489</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1,767,624	1,767,624
Share premium account		1,522,266	1,522,266
Investment revaluation reserve	12	-	312,323
Profit and loss account	12	295,391	(99,724)
<b>SHAREHOLDERS' FUNDS</b>	13	<u>3,585,281</u>	<u>3,502,489</u>

The financial statements were approved by the board on

*10<sup>th</sup> February 2000*

Signed on behalf of the board of directors

  
Director  
(D. PICKERSGILL)

**COUNTRYWIDE RENTALS 4 PLC**

**CASH FLOW STATEMENT**

**YEAR ENDED 31 DECEMBER 1999**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		
Operating profit	144,180	97,100
Depreciation of tangible fixed assets	-	23,326
Decrease in debtors	91	44
Increase in creditors	76	755
<b>Net cash inflow from operating activities</b>	<b>144,347</b>	<b>121,225</b>
<b>CASH FLOW STATEMENT (note 14)</b>		
Net cash inflow from operating activities	144,347	121,225
Returns on investments and servicing of finance	26,722	12,275
Taxation	(35,296)	(21,234)
Capital disposals	103,389	36,466
Acquisitions and disposals	(588,054)	-
<b>(Decrease)/increase in cash</b>	<b>(348,892)</b>	<b>148,732</b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (note 15)</b>		
(Decrease)/increase in cash in the period	(348,892)	148,732
Net funds at 1 January 1999	348,892	200,160
<b>Net funds at 31 December 1999</b>	<b>-</b>	<b>348,892</b>

**COUNTRYWIDE RENTALS 4 PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**1 ACCOUNTING POLICIES**

**(a) Basis of preparation of financial statements**

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

**(b) Rental income**

Rental income comprises gross rents received.

**(c) Tangible fixed assets and depreciation**

Tangible fixed assets (with the exception of investment properties) are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and fittings	5 years
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**(d) Investment properties**

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No. 19 (SSAP 19) and are not depreciated. This treatment is contrary to the Companies Act 1985 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

**(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.

**2 TRANSFER OF ACTIVITIES**

On 31 December 1999 the company transferred its assets, liabilities and operations to a fellow group company.

The consideration was applied to intercompany account as follows:

	£
Fixed assets	3,036,992
Debtors	5,096
Cash at bank	588,054
Creditors	(44,861)
	<hr/>
Consideration	3,585,281
	<hr/>

**3 RENTAL INCOME**

Turnover comprises rental income and is attributable to one class of business. All turnover arose within the United Kingdom.

**COUNTRYWIDE RENTALS 4 PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**4 OPERATING PROFIT**

Operating profit is stated after charging:

	1999 £	1998 £
Depreciation of tangible fixed assets:		
- owned by the company	-	23,326
Audit fees	<u>1,000</u>	<u>1,000</u>

No director received any emoluments (1998 - £NIL).

**5 INTEREST RECEIVABLE AND SIMILAR ITEMS**

	1999 £	1998 £
Bank interest receivable	<u>21,881</u>	<u>17,353</u>

**6 TAXATION**

	1999 £	1998 £
<b>Current year taxation</b>		
UK corporation tax at 31% (1998 - 31%)	43,450	36,801
<b>Adjustments in respect of prior periods</b>		
Corporation tax	(1,499)	(771)
	<u>41,951</u>	<u>36,030</u>

**COUNTRYWIDE RENTALS 4 PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**7 TANGIBLE FIXED ASSETS**

	Investment properties £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 January 1999	3,181,692	96,631	3,278,323
Disposals	(144,700)	(4,874)	(149,574)
Transfer to fellow group company	(3,036,992)	(91,757)	(3,128,749)
	<hr/>	<hr/>	<hr/>
At 31 December 1999	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 1999	-	96,631	96,631
On disposals	-	(4,874)	(4,874)
Transfer to fellow group company	-	(91,757)	(91,757)
	<hr/>	<hr/>	<hr/>
At 31 December 1999	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Net book amount</b>			
At 31 December 1999	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 1998	3,181,692	-	3,181,692
	<hr/>	<hr/>	<hr/>

**Analysis of investment properties**

The net book amount of investment properties comprises:

	1999 £	1998 £
Freeholds	-	2,052,828
Long leaseholds	-	1,128,864
	<hr/>	<hr/>
	-	3,181,692
	<hr/>	<hr/>

On the historical cost basis, investment properties would have been included as follows:

	1999 £	1998 £
Cost	-	3,234,628
	<hr/>	<hr/>

**COUNTRYWIDE RENTALS 4 PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**8 DEBTORS**

	1999 £	1998 £
<b>Due within one year</b>		
Amounts due from group undertakings	3,585,281	-
Other debtors	-	10,028
	<u>3,585,281</u>	<u>10,028</u>

**9 CREDITORS:**

**Amounts falling due within one year**

	1999 £	1998 £
Corporation tax	-	36,796
Accruals and deferred income	-	1,327
	<u>-</u>	<u>38,123</u>

**10 DEFERRED TAXATION**

In the opinion of the directors no tax liability would have arisen at 31 December 1998 if all the investment properties were disposed of at the valuation included in the accounts, so no potential deferred taxation arose.

**COUNTRYWIDE RENTALS 4 PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**11 SHARE CAPITAL**

	<b>Authorised Number</b>	<b>Allotted, called up and fully paid Number</b>	<b>£</b>
At 1 January 1999 and 31 December 1999			
Ordinary shares of 50p each	5,999,989	3,535,236	1,767,618
'A' Ordinary shares of 50p each	1	1	1
'B' Ordinary shares of 50p each	10	10	5
	<u>6,000,000</u>	<u>3,535,247</u>	<u>1,767,624</u>

**Rights attached to shares**

The Ordinary shares, 'A' Ordinary share and 'B' Ordinary shares rank equally except in the following respects:

- the holder of the 'A' Ordinary share is entitled to call for a resolution to wind up the company and on such a resolution is entitled to differing voting rights giving the holder the power to enforce the resolution; and
- the 'B' shareholders have differing rights over any distribution made in the event of a winding up.

At the year end all shares in issue of all classes were held by the parent undertaking.

**12 RESERVES**

<b>Investment revaluation reserve</b>	<b>£</b>
At 1 January 1999	312,323
Realised on transfer to fellow group company	(312,323)
At 31 December 1999	<u>-</u>
 <b>Profit and loss account</b>	 <b>£</b>
At 1 January 1999	(99,724)
Profit for the year	82,792
Realised on transfer to fellow group company	312,323
At 31 December 1999	<u>295,391</u>

**COUNTRYWIDE RENTALS 4 PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**13 SHAREHOLDERS' FUNDS**

	1999 £	1998 £
Shareholders' funds at 1 January 1999	3,502,489	3,346,327
Profit for the year	82,792	66,770
Other recognised gains and losses	-	89,392
Shareholders' funds at 31 December 1999	<u>3,585,281</u>	<u>3,502,489</u>

**14 GROSS CASH FLOWS**

	1999 £	1998 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>26,722</u>	<u>12,275</u>
<b>Capital expenditure</b>		
Receipts from sales of tangible fixed assets	<u>103,389</u>	<u>36,466</u>
<b>Acquisitions and disposals</b>		
Transfer to fellow group company	<u>(588,054)</u>	<u>-</u>

**15 ANALYSIS OF CHANGES IN NET FUNDS**

	At 1 January 1999 £	Cash flows £	Transfer to fellow group company £	At 31 December 1999 £
Cash at bank and in hand	348,892	239,162	(588,054)	-
Total	<u>348,892</u>	<u>239,162</u>	<u>(588,054)</u>	<u>-</u>

**16 TRANSACTIONS WITH RELATED PARTIES**

As a 100% owned subsidiary, the company qualifies for the exemption from disclosing transactions with other group companies or with related parties in which the group holds an investment.



**COUNTRYWIDE RENTALS 4 PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1999**

**17 PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is a wholly owned subsidiary of Leeds & Holbeck Building Society, a society registered with the Building Societies Commission and a member of the Building Societies Association. Copies of the Annual Report are available from the registered office at 105 Albion Street, Leeds, LS1 5AS.