

**PHS (HAVANT) LIMITED**

**Report and Financial Statements**

**31 December 1999**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**PHS (HAVANT) LIMITED**

**REPORT AND FINANCIAL STATEMENTS 1999**

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**PHS (HAVANT) LIMITED**

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year to 31 December 1999.

**ACTIVITIES**

The principal activity of the company continues to be property investment.

**RESULTS**

The profit for the year after taxation amounted to £9,738 (period 17 June 1998 to 31 December 1998: £28,157). No dividend is recommended for the year (1998: £nil).

**REVIEW OF DEVELOPMENTS**

Details of the profit for the year are given in the profit and loss account on page 4 and the notes on pages 7 and 8. The position of the company at the end of the year is set out in the balance sheet on page 5 and the notes on pages 8 to 10.

**FUTURE PROSPECTS**

The directors consider the company will continue to perform satisfactorily in the forthcoming year.

**DIRECTORS AND DIRECTORS INTERESTS**

The directors throughout the year were:

R J Dossett  
B S Clegg  
K D Malone

None of the directors had any interest in the shares of the company. Messrs. R J Dossett and B S Clegg are also directors of Estates & General PLC, the ultimate parent company. Accordingly their interests in the share capital of that company are shown in that company's directors' report.

**AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors of the company and a resolution for their reappointment as auditors is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



P J Holland  
Secretary

21 June 2000

**PHS (HAVANT) 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 as at the end of the financial year and of the profit or loss of the company for that year. 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;
- prepare the financial statements on a 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.

## **AUDITORS' REPORT TO THE MEMBERS OF PHS (HAVANT) LIMITED**

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 7.

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

As described on page 2 the company's directors are responsible for the preparation of financial statements which are required to be prepared 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 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Deloitte & Touche

Chartered Accountants and Registered Auditors

 June 2000

**PHS (HAVANT) LIMITED**
**PROFIT AND LOSS ACCOUNT**  
**Year to 31 December 1999**

	Note	1999 £	17 June 1998 to 31 December 1998 £
<b>TURNOVER: continuing operations</b>	1	324,931	149,007
Cost of sales		(3,422)	-
<b>Gross profit</b>		321,509	149,007
Administrative expenses	1	(39,334)	(17,749)
<b>OPERATING PROFIT - continuing operations</b>	2	282,175	131,258
Interest payable and similar charges	3	(272,437)	(103,101)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION TRANSFERRED TO RESERVES</b>	4,11	9,738	28,157

All activities derive from continuing operations.

**PHS (HAVANT) LIMITED**

**BALANCE SHEET  
31 December 1999**

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	5	3,650,000	3,600,000
<b>CURRENT ASSETS</b>			
Debtors	6	-	341
<b>CREDITORS: amounts falling due within one year</b>	7	<u>(704,668)</u>	<u>(703,532)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(704,668)</u>	<u>(703,191)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,945,332	2,896,809
<b>CREDITORS: amounts falling due after more than one year</b>	8	<u>(2,989,285)</u>	<u>(3,000,000)</u>
<b>NET LIABILITIES</b>		<u>(43,953)</u>	<u>(103,191)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	2	2
Revaluation reserve	10	(81,850)	(131,350)
Profit and loss account	11	<u>37,895</u>	<u>28,157</u>
<b>EQUITY SHAREHOLDERS' DEFICIT</b>		<u>(43,953)</u>	<u>(103,191)</u>

These financial statements were approved by the Board of Directors on 29 June 2000.

Signed on behalf of the Board of Directors

K D Malone  
Director



**PHS (HAVANT) LIMITED**
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**
**Year to 31 December 1999**

	1999	17 June 1998 to 31 December 1998
	£	£
Profit for the financial year / period	9,738	28,157
Surplus / (deficit) arising on revaluation of properties	49,500	(131,350)
Total recognised gains and losses relating to the year / period	<u>59,238</u>	<u>(103,193)</u>

**RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS**
**Year to 31 December 1999**

	1999	17 June 1998 to 31 December 1998
	£	£
Profit for the financial year / period	9,738	28,157
Surplus / (deficit) arising on revaluation of properties	49,500	(131,350)
Shares issued in year / period	-	2
Net addition to equity shareholders' funds	<u>59,238</u>	<u>(103,191)</u>
Opening equity shareholders' deficit	(103,191)	-
Closing equity shareholders' deficit	<u>(43,953)</u>	<u>(103,191)</u>



**PHS (HAVANT) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****Year to 31 December 1999****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover represents gross rents receivable. All turnover derives from activities within the United Kingdom.

**Administrative expenses**

Group administrative expenses are charged to the company by the ultimate parent company in proportion to gross rental income.

**Interest**

All interest is charged to the profit and loss account as incurred.

**Investment Properties**

Investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties in accordance with SSAP 19 accounting for investment properties. This constitutes a departure from the Companies Act 1985 which requires fixed assets to be depreciated over their economic useful lives and is necessary to enable the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

**Sale of properties**

Sales of investment properties are recognised on unconditional exchange of contracts and the surpluses arising, based on the excess of sale proceeds over holding cost, are included within the profit on ordinary activities. Surpluses resulting from revaluation of property previously taken to revaluation reserves are therefore included in the surplus on realisation, and shown as a movement between unrealised and realised reserves.

**Deferred taxation**

Deferred taxation is provided at the anticipated future rates of corporation tax on timing differences which arise from the inclusion of items of income and expenditure in the taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

No provision for taxation is made on surpluses arising from revaluation of subsidiaries and property held for investment which is unlikely to be disposed of in the foreseeable future.

**PHS (HAVANT) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year to 31 December 1999**
**2. OPERATING PROFIT**

The company had no employees during the current or preceding year.

None of the directors of the company received any emoluments during the current or preceding year in respect of services for the company.

Auditors' remuneration was borne by the ultimate parent company in the current and preceding year.

Details of employee costs and auditors' remuneration are shown in the accounts of the ultimate parent company.

**3. INTEREST PAYABLE AND SIMILAR CHARGES**

	1999 £	17 June 1998 to 31 December 1998 £
Bank loans	240,007	103,101
Amounts owed to ultimate parent company	32,430	-
	<u>272,437</u>	<u>103,101</u>

**4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

There is no current year charge as any profits will be fully relieved by current year losses available from other group companies for which no consideration is given.

**5. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £
At valuation at 31 December 1998	3,600,000
Additions at cost	500
Surplus on revaluation	49,500
	<u>3,650,000</u>
At valuation at 31 December 1999	<u>3,650,000</u>

(a) A valuation of the properties in the investment portfolio has been undertaken by DTZ Debenham Thorpe Ltd, International Property Advisers, as at 31 December 1999. These revised values have been incorporated in the accounts.

(b) The properties in the investment portfolio are charged to secure borrowings of the company as described in note 8.

**PHS (HAVANT) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**Year to 31 December 1999**

- (c) The historical cost of the freehold property at 31 December 1999 was £3,731,850 (1998: £3,731,350).

**6. DEBTORS**

	1999 £	1998 £
Other debtors	-	341

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1999 £	1998 £
Trade creditors	-	2,293
Amounts owed to ultimate parent company	610,034	626,308
Other creditors	16,728	-
Accruals	77,906	74,931
	<u>704,668</u>	<u>703,532</u>

**8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1999 £	1998 £
Bank loans		
Repayable between two and five years	2,989,285	3,000,000

All bank loans are secured on the freehold and leasehold properties of the company.

**PHS (HAVANT) LIMITED**
**NOTES TO THE FINANCIAL STATEMENTS**
**Year to 31 December 1999**
**9. CALLED UP SHARE CAPITAL**

	1999 £	1998 £
Authorised :		
Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
Called up, allotted and fully paid :		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

**10. REVALUATION RESERVE**

	£
As at 31 December 1998	(131,350)
Surplus on revaluation of property	<u>49,500</u>
As at 31 December 1999	<u>(81,850)</u>

**11. PROFIT AND LOSS ACCOUNT**

	£
As at 31 December 1998	28,157
Profit for the financial year	<u>9,738</u>
As at 31 December 1999	<u>37,895</u>

**12. RELATED PARTY TRANSACTIONS**

The company is taking advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 "Related Party Disclosures" not to disclose transactions with group companies which are related parties.

**13. ULTIMATE PARENT COMPANY**

The immediate parent company is Penn House Securities Limited. The ultimate parent company and controlling party is Estates & General PLC, incorporated in Great Britain and registered in England and Wales. Copies of the parent company's accounts are available from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.

**14. CASH FLOW STATEMENT**

The company is not presenting a cash flow statement. It has taken advantage of the exemption in FRS1 as the parent company, Estates & General PLC, has included a consolidated cash flow statement within its own consolidated financial statements.