

**Grantchester Properties  
(Luton) Limited**

Report and Financial Statements

Year ended  
30 September 2000



**BDO Stoy Hayward**  
Chartered Accountants

# **GRANTCHESTER PROPERTIES (LUTON) LIMITED**

## **Report and financial statements for the year ended 30 September 2000**

---

### **Contents**

Directors

### **Page:**

1	Report of the directors
3	Report of the auditors
4	Profit and loss account and statement of total recognised gains and losses
5	Balance sheet
6	Notes forming part of the financial statements

---

### **Directors**

A N Hewson  
C M S Evans  
T P Walton  
P L Huberman

### **Secretary and registered office**

I M Hollocks, 3 Finsbury Square, London EC2A 1AE

### **Company number**

3691887

### **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL

# **GRANTCHESTER PROPERTIES (LUTON) LIMITED**

## **Report of the directors for the year ended 30 September 2000**

---

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

### **Results and dividends**

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a dividend.

### **Principal activities, review of the year and future developments**

The principal activity of the company is that of property investment in the United Kingdom.

The directors are satisfied with the performance of the company during the year under review.

There have been no events since the balance sheet date which materially affect the position of the company.

### **Directors**

The directors of the company during the year were:

A N Hewson  
C M S Evans  
T P Walton  
P L Huberman (appointed 6 January 2000)

None of the directors had any interest in the share capital of the company during or at the end of the year. The interests of the directors in the share capital of the ultimate parent company, Grantchester Holdings PLC, are disclosed in the financial statements of that company.

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period 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.

**GRANTCHESTER PROPERTIES (LUTON) LIMITED**

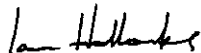
**Report of the directors for the year ended 30 September 2000 (*Continued*)**

---

**Auditors**

The company has dispensed with the obligation to appoint auditors annually. BDO Stoy Hayward have expressed their willingness to continue in office.

**By order of the Board**



I M Hollocks  
**Secretary**

26 April 2001

# GRANTCHESTER PROPERTIES (LUTON) LIMITED

## Report of the auditors

---

### To the members of Grantchester Properties (Luton) Limited

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

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

As described on page 1 the company's directors are responsible for the preparation of the 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.

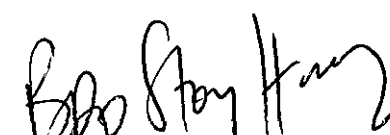
#### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards 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 30 September 2000 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD**

*Chartered Accountants  
and Registered Auditors  
London*

26 April 2001

# GRANTCHESTER PROPERTIES (LUTON) LIMITED

## Profit and loss account and statement of total recognised gains and losses for the year ended 30 September 2000

Profit and loss account	Note	2000 £	1999 £
<b>Turnover</b>	1	1,117,516	516,253
Cost of sales		(35,000)	(67,600)
<b>Gross profit</b>		1,082,516	448,653
Administrative expenses		-	(3,526)
<b>Operating profit</b>	2	1,082,516	445,127
Financing costs	5	(465,063)	(284,029)
<b>Profit on ordinary activities before taxation</b>		617,453	161,098
Taxation	6	-	-
<b>Retained profit for the year</b>	11	617,453	161,098
<b>Statement of total recognised gains and losses</b>			
Profit for the financial year		617,453	161,098
Unrealised surplus on revaluation of investment property	11	3,171,194	3,068,521
<b>Total recognised gains and losses for the year</b>		3,788,647	3,229,619

All amounts relate to continuing activities.

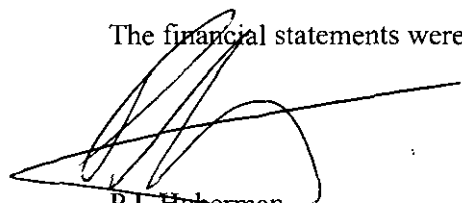
The notes on pages 6 to 9 form part of these financial statements.

# GRANTCHESTER PROPERTIES (LUTON) LIMITED

Balance sheet at 30 September 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Investment property	7	23,200,000	20,000,000
<b>Current assets</b>			
Debtors	8	329,472	1
Cash at bank and in hand		-	470,033
		<u>329,472</u>	<u>470,034</u>
<b>Creditors falling due within one year</b>	9	<u>16,511,205</u>	<u>17,240,414</u>
<b>Net current liabilities</b>		<u>(16,181,733)</u>	<u>(16,770,380)</u>
<b>Total assets less current liabilities</b>		<u>7,018,267</u>	<u>3,229,620</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Investment revaluation reserve	11	6,239,715	3,068,521
Profit and loss account	11	778,551	161,098
		<u>7,018,267</u>	<u>3,229,620</u>
<b>Shareholders' funds – equity</b>	12	<u>7,018,267</u>	<u>3,229,620</u>

The financial statements were approved by the Board on 26 April 2001.

  
P L Huberman  
Director

The notes on pages 6 to 9 form part of these financial statements.

# GRANTCHESTER PROPERTIES (LUTON) LIMITED

Notes forming part of the financial statements for the year ended 30 September 2000

---

## 1 Accounting policies

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

### *Turnover*

Turnover represents rent receivable from investment properties within the United Kingdom. No rental income is recognised during rent free periods granted to tenants under operating leases.

### *Completed investment properties*

Completed investment properties are revalued annually by external professional valuers on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors, net of purchaser's costs. Surpluses and temporary deficits arising on valuations are taken to the investment revaluation reserve. Permanent diminutions in value are taken to the profit and loss account.

### *Depreciation*

In accordance with Statement of Standard Accounting Practice No 19, no depreciation or amortisation is provided in respect of freehold investment properties. This treatment may be a departure from the requirements of the Companies Act 1985 concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation is inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation 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.

### *Loan issue costs*

Costs relating to the raising of general corporate loan facilities are amortised over the life of the loan and are charged to the profit and loss account as part of the interest expense so that the amount charged is at a constant rate on the carrying amount. Bank loans are disclosed net of unamortised loan issue costs.

### *Deferred taxation*

Deferred taxation is provided in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

Provision is made for deferred taxation attributable to any unrealised surpluses on revaluation of investment properties, where the directors consider that tax is likely to become payable on properties sold in the foreseeable future.



## GRANTCHESTER PROPERTIES (LUTON) LIMITED

Notes forming part of the financial statements for the year ended 30 September 2000 (*Continued*)

### 2 Operating profit

The auditors' remuneration is borne by the ultimate parent company.

### 3 Employees

The average number of employees during the year excluding directors was nil (1999: nil).

### 4 Directors

No director received any emoluments from the company during the year (1999: £nil).

### 5 Financing costs

	2000 £	1999 £
Interest on bank loans	465,063	202,035
Loan issue costs amortisation	-	81,994
	<u>465,063</u>	<u>284,029</u>

### 6 Taxation

No taxation is payable on the profit for the year due to the availability of loss relief (1999: £nil).

### 7 Investment property

	Completed investment property £
<i>Freehold</i>	
External valuation at 1 October 1999	20,000,000
Additions	28,806
Surplus on revaluation	3,171,194
	<u>23,200,000</u>
External valuation at 30 September 2000	
	<u>23,200,000</u>

The property was valued at 30 September 2000 on an open market value basis by external valuers, Colliers Conrad Ritblat Erdman Limited. The historical cost of the property is £16,960,285 (1999: £16,931,479).

At 30 September 2000, the company's investment property was held as security for a bank loan provided to Grantchester Securities Limited, a fellow subsidiary undertaking. The bank has fixed and floating charges over the assets of the company.

# GRANTCHESTER PROPERTIES (LUTON) LIMITED

Notes forming part of the financial statements for the year ended 30 September 2000 (*Continued*)

8 Debtors	2000 £	1999 £
Amounts due from group undertakings	256,502	1
Prepayments and accrued income	72,970	-
	<hr/>	<hr/>
	329,472	1
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

9 Creditors falling due within one year	2000 £	1999 £
Bank loan	-	11,480,000
Trade creditors	-	2,815
Amounts due to group undertakings	16,213,540	5,354,207
Accruals and deferred income	297,665	403,392
	<hr/>	<hr/>
	16,511,205	17,240,414
	<hr/>	<hr/>

At 30 September 1999, the company's investment property was held as security for a bank loan which was repaid during the year.

10 Share capital	2000 £	1999 £
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	1	1
	<hr/>	<hr/>
<i>Movements in allotted share capital</i>		
Subscriber share issued on incorporation	-	1
	<hr/>	<hr/>

11 Reserves	Investment revaluation reserve £	Profit and loss account £
At 1 October 1999	3,068,521	161,098
Surplus on revaluation of investment property	3,171,194	-
Retained profit for the year	-	617,453
	<hr/>	<hr/>
At 30 September 2000	6,239,715	778,551
	<hr/>	<hr/>

# GRANTCHESTER PROPERTIES (LUTON) LIMITED

Notes forming part of the financial statements for the year ended 30 September 2000 (*Continued*)

12 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the year	617,453	161,098
Unrealised surplus on revaluation of investment property	3,171,194	3,068,521
Ordinary share issued	-	1
Net addition to shareholders' funds	3,788,647	3,229,620
Opening shareholders' funds	3,229,620	-
Closing shareholders' funds	7,018,267	3,229,620

13 Provisions for liabilities and charges	2000		1999	
	Amount provided £	Amount unprovided £	Amount provided £	Amount unprovided £
<i>Deferred taxation</i>				
Unrealised surplus on revaluation of investment property	-	1,674,000	-	860,000

Deferred taxation arising on the revaluation of the investment property has not been provided on the basis that the directors do not believe that it is probable that a liability will crystallise in the foreseeable future.

## 14 Related party transactions

The company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 8, "Related Party Transactions", not to disclose details of all of its related party transactions with other group companies.

## 15 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement, as a consolidated cash flow statement is included in the financial statements of its ultimate parent company.

## 16 Ultimate parent company and controlling party information

At 30 September 2000 the company's ultimate parent company was Grantchester Holdings PLC which is the parent of the largest group of which the company is a member.

At 30 September 2000 the company's immediate parent company was Grantchester Securities Limited which is the parent of the smallest group of which the company is a member.

Copies of the consolidated financial statements of Grantchester Holdings PLC are available from Companies House.