

**UNCHAINED REVERSIONS PLC**  
**FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED**  
**28 JANUARY 2001**



SCT SM7SQ1W0 1470  
COMPANIES HOUSE 28/06/01

**Company Registration Number 146263**

# UNCHAINED REVERSIONS PLC

## THE DIRECTORS' REPORT

### PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001

The directors have pleasure in presenting their report and the financial statements of the company for the period from 1 July 2000 to 28 January 2001.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was the letting of residential property.

The company was acquired by Sovereign Reversions Plc after the period end and the assets of the company were transferred to Sovereign and the distributable reserves paid by way of dividend. As a result the company has ceased to trade during the subsequent period. On 30 May 2001 the company re-registered as a private company.

#### RESULTS AND DIVIDENDS

The trading results for the period, and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend.

#### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.50 each	
	At 28 January 2001	At 1 July 2000
D R MacDonald	-	-
H B Shulman	-	-
A D B Taylor	-	-
	<u>          </u>	<u>          </u>

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

G C W Marshall was appointed as a director on 30 January 2001.

R A Pearce Gould was appointed as a director on 30 January 2001.

D R MacDonald retired as a director on 30 January 2001.

H B Shulman retired as a director on 30 January 2001.

A D B Taylor retired as a director on 30 January 2001.

#### POLICY ON THE PAYMENT OF CREDITORS

The company policy is to agree terms with individual suppliers and abide by those terms.

#### 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 at the end of the period and of the profit or loss for the period then ended.

# UNCHAINED REVERSIONS PLC

## THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001

### DIRECTORS' RESPONSIBILITIES *(continued)*

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

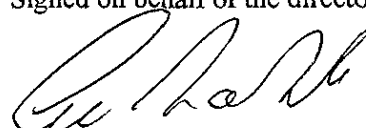
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding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

### AUDITORS

Thompson Taraz were appointed auditors during the period. A resolution to re-appoint them for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
James Sellars House  
144 West George Street  
Glasgow  
G2 2HG

Signed on behalf of the directors



G C W Marshall  
Director

Approved by the directors on 14 June 2001

## UNCHAINED REVERSIONS PLC

### AUDITORS' REPORT TO THE SHAREHOLDERS

#### PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

#### RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on pages 1 to 2, 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.

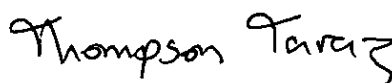
#### BASIS OF OPINION

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 28 January 2001 and of the loss of the company for the period then ended, and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants  
& Registered Auditors

14 June 2001

**UNCHAINED REVERSIONS PLC**  
**PROFIT AND LOSS ACCOUNT**  
**PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001**

	Note	Period to 28 Jan 01 £	Year to 30 Jun 00 £
<b>TURNOVER</b>			
Discontinued operations		13,853	31,017
Cost of sales	2	(17,787)	(29,594)
<b>GROSS (LOSS)/PROFIT</b>		(3,934)	1,423
Net operating expenses	2	17,719	57,325
<b>OPERATING LOSS:</b>	3		
Discontinued operations		(21,653)	(55,902)
Loss on disposal of fixed assets	6	(107,516)	(55,055)
		(129,169)	(110,957)
Interest receivable		13,619	6,793
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(115,550)	(104,164)
Tax on loss on ordinary activities	7	20,920	15,999
<b>LOSS FOR THE FINANCIAL PERIOD</b>		(94,630)	(88,165)

The notes on pages 7 to 12 form part of these financial statements.

**UNCHAINED REVERSIONS PLC**  
**PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	Period to 28 Jan 01 £	Year to 30 Jun 00 £
Loss for the financial period attributable to the shareholders	(94,630)	(88,165)
Unrealised profit on revaluation of tangible fixed assets:		
Investment Properties	-	86,728
Less provision for deferred tax on revaluation	-	(10,567)
Total gains and losses recognised since the last annual report	<u>(94,630)</u>	<u>(12,004)</u>

# UNCHAINED REVERSIONS PLC

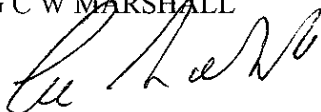
## BALANCE SHEET

28 JANUARY 2001

	Note	28 Jan 01 £	30 Jun 00 £
<b>FIXED ASSETS</b>			
Tangible assets	8	1,235,809	1,959,388
<b>CURRENT ASSETS</b>			
Debtors	9	-	263,605
Cash at bank		1,168,275	334,296
		<u>1,168,275</u>	<u>597,901</u>
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>(71,185)</u>	<u>(57,007)</u>
<b>NET CURRENT ASSETS</b>		<u>1,097,090</u>	<u>540,894</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,332,899</u>	<u>2,500,282</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	11	(35,519)	(108,272)
		<u>2,297,380</u>	<u>2,392,010</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	13	911,056	911,056
Share premium account		730,723	730,723
Revaluation reserve	14	266,435	613,789
Profit and Loss Account	15	389,166	136,442
<b>SHAREHOLDERS' FUNDS</b>	16	<u>2,297,380</u>	<u>2,392,010</u>

These financial statements were approved by the directors on the 14 June 2001 and are signed on their behalf by:

G C W MARSHALL



# UNCHAINED REVERSIONS PLC

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001

### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

#### Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the period.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings - 7 years straight line

#### Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

#### Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

### 2. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES

	Discontinued Operations £	Total £
<b>PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001</b>		
Cost of sales	17,787	17,787
Administrative expenses	17,719	17,719
Net operating expenses	17,719	17,719

**UNCHAINED REVERSIONS PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001**

**2. ANALYSIS OF COST OF SALES AND NET OPERATING EXPENSES** *(continued)*

	<b>Discontinued Operations</b>	<b>Total</b>
	£	£
<b>YEAR ENDED 30 JUNE 2000</b>		
Cost of sales	29,594	29,594
	<hr/>	<hr/>
Administrative expenses	57,325	57,325
	<hr/>	<hr/>
Net operating expenses	57,325	57,325
	<hr/>	<hr/>

**3. OPERATING LOSS**

Operating loss is stated after charging:

	<b>Period to 28 Jan 01</b>	<b>Year to 30 Jun 00</b>
	£	£
Depreciation	-	945
Auditors' remuneration		
- as auditors	940	2,000
- accountancy	3,290	-
	<hr/>	<hr/>

**4. PARTICULARS OF EMPLOYEES**

No salaries or wages have been paid to employees, including the directors, during the period.

**5. DIRECTORS' EMOLUMENTS**

The directors' aggregate emoluments in respect of qualifying services were:

	<b>Period to 28 Jan 01</b>	<b>Year to 30 Jun 00</b>
	£	£
Emoluments receivable	3,065	2,289
	<hr/>	<hr/>

# UNCHAINED REVERSIONS PLC

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001

### 5. DIRECTORS' EMOLUMENTS *(continued)*

The emoluments received by Directors were paid to third parties in relation to services as a Director.

In addition to the above the Company entered into the following arrangements in which the Directors had an interest.

Park Circus (Management) Ltd, of which D R MacDonald is a Director and in which he has an interest by virtue of his shareholding in its parent company, received fees of £3637 (1999:£6,376) including VAT for professional services and £nil (1999:£8,525) including VAT in respect of exit advice.

Park Circus Registrars Limited of which D R MacDonald is a Director and was a shareholder during the period received fees of £2,118 (1999:£1,815) including VAT for professional services.

Mercantile Securities (Scotland) Limited, in which D R MacDonald has an interest by virtue of his shareholding in its parent company, received fees of £nil (1999:£4,700) including VAT in respect of exit advice.

Graham Harvey & Co., of which H B Shulman is a consultant, received fees of £9,229 (1999:£10,935) in respect of property management, and £nil (1999:£13,296) including VAT in respect of legal advice and property management.

### 6. LOSS ON DISPOSAL OF FIXED ASSETS

	Period to 28 Jan 01 £	Year to 30 Jun 00 £
Loss on disposal of fixed assets	<u>(107,516)</u>	<u>(55,055)</u>

### 7. TAX ON LOSS ON ORDINARY ACTIVITIES

	Period to 28 Jan 01 £	Year to 30 Jun 00 £
Corporation Tax based on the results for the period at 20% (2000 - 20%)	<u>(20,920)</u>	<u>(15,999)</u>

# **UNCHAINED REVERSIONS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001**

### **8. TANGIBLE FIXED ASSETS**

	<b>Furnishings</b>	<b>Investment</b>	<b>Total</b>
	<b>£</b>	<b>Properties</b>	<b>£</b>
		<b>£</b>	
<b>COST OR VALUATION</b>			
At 1 July 2000	13,235	1,956,479	1,969,714
Disposals	(2,909)	(720,670)	(723,579)
<b>At 28 January 2001</b>	<u>10,326</u>	<u>1,235,809</u>	<u>1,246,135</u>
<b>DEPRECIATION</b>			
At 1 July 2000	10,326	-	10,326
<b>At 28 January 2001</b>	<u>10,326</u>	<u>-</u>	<u>10,326</u>
<b>NET BOOK VALUE</b>			
<b>At 28 January 2001</b>	<u>-</u>	<u>1,235,809</u>	<u>1,235,809</u>
At 30 June 2000	<u>2,909</u>	<u>1,956,479</u>	<u>1,959,388</u>

### **9. DEBTORS**

	<b>28 Jan 01</b>	<b>30 Jun 00</b>
	<b>£</b>	<b>£</b>
Other debtors	<u>-</u>	<u>263,605</u>

### **10. CREDITORS: Amounts falling due within one year**

	<b>28 Jan 01</b>	<b>30 Jun 00</b>
	<b>£</b>	<b>£</b>
Other creditors	62,735	21,882
Accruals and deferred income	8,450	35,125
	<u>71,185</u>	<u>57,007</u>

### **11. DEFERRED TAXATION**

	<b>Period to</b>	<b>Year to</b>
	<b>28 Jan 01</b>	<b>30 Jun 00</b>
	<b>£</b>	<b>£</b>
The movement in the deferred taxation provision during the period was:		
Provision brought forward	108,272	-
Increase/(Decrease) in provision	(72,753)	108,272
Provision carried forward	<u>35,519</u>	<u>108,272</u>

# UNCHAINED REVERSIONS PLC

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001

### 11. DEFERRED TAXATION *(continued)*

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	Period to 28 Jan 01 £	Year to 30 Jun 00 £
Other timing differences	<u>35,519</u>	<u>108,272</u>

### 12. RELATED PARTY TRANSACTIONS

No transactions, with related parties, other than those transactions disclosed in the Directors' emolument note were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

### 13. SHARE CAPITAL

#### Authorised share capital:

	28 Jan 01 £	30 Jun 00 £
6,000,000 Ordinary shares of £0.50 each	<u>3,000,000.00</u>	<u>3,000,000.00</u>

#### Allotted, called up and fully paid:

	28 Jan 01 £	30 Jun 00 £
Ordinary share capital	<u>911,056.00</u>	<u>911,056.00</u>

### 14. REVALUATION RESERVE

	Period to 28 Jan 01 £	Year to 30 Jun 00 £
Balance brought forward	613,789	683,646
Revaluation of fixed assets	-	86,727
Transfer to the Profit and Loss Account on realisation	(347,354)	(146,017)
Deferred taxation on revaluation of assets	-	(10,567)
Balance carried forward	<u>266,435</u>	<u>613,789</u>

### 15. PROFIT AND LOSS ACCOUNT

	Period to 28 Jan 01 £	Year to 30 Jun 00 £
Balance brought forward	136,442	78,590
Retained loss for the financial period	(94,630)	(88,165)
Transfer from revaluation reserve	347,354	146,017
Balance carried forward	<u>389,166</u>	<u>136,442</u>

# **UNCHAINED REVERSIONS PLC**

## **NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JULY 2000 TO 28 JANUARY 2001**

### **16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>28 Jan 01</b>	<b>30 Jun 00</b>
	<b>£</b>	<b>£</b>
Loss for the financial period	(94,630)	(88,165)
Other net recognised gains and losses	-	76,160
Net reduction to funds	(94,630)	(12,005)
Opening shareholders' equity funds	2,392,010	2,404,015
Closing shareholders' equity funds	<u>2,297,380</u>	<u>2,392,010</u>