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DIRECTORS' REPORT

**DIRECTORS**

R M Peskin  
P O Hall  
P A Gittens  
P D M Shaw  
J H Whiteley

**SECRETARY**

C J Fryer

**AUDITORS**

Ernst & Young  
Becket House  
1 Lambeth Palace Road  
London SE1 7EU

**REGISTERED OFFICE**

Knighton House  
56 Mortimer Street  
London W1N 8BD



# Basan Investments Limited

## DIRECTORS' REPORT

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The directors present their report and accounts for the year ended 31 March 1997.

### RESULTS AND DIVIDENDS

The profit and loss account is set out on page 5 and shows a profit for the year available to shareholders of £13,425. The directors propose a final dividend of £250 per share amounting to £25,000.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal business of the company is that of property development in the United Kingdom. There has been no significant change in the company's business during the year.

### DIRECTORS AND THEIR INTERESTS

The directors whose names appear on page 1 served as directors of the company during the year to 31 March 1997.

The interests of the directors in the share capital of Great Portland Estates P.L.C. are disclosed in the accounts of that company.

No director had any interest in the debentures of Great Portland Estates P.L.C. or the share and loan capital of any of its subsidiary undertakings during the year.

### AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

  
C J Fryer  
Secretary

10 June 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the accounts.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

**REPORT OF THE AUDITORS**

to the members of Basan Investments Limited

We have audited the accounts on pages 5 to 8, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

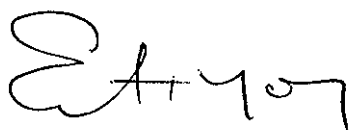
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young  
Chartered Accountants  
Registered Auditor  
London

10 June 1997

## Basan Investments Limited

### PROFIT AND LOSS ACCOUNT for the year ended 31 March 1997

	Notes	1997 £	1996 £
<b>TURNOVER</b>	2	–	755
Auditors' remuneration – audit fees		(500)	(500)
– other fees		(500)	(500)
<b>OPERATING LOSS</b>		(1,000)	(245)
Interest receivable and similar income	3	18,505	29,637
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		17,505	29,392
Tax on profit on ordinary activities	4	(4,080)	(4,500)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		13,425	24,892
Dividends	5	(25,000)	(10,000)
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>		(11,575)	14,892

A statement of the movement on reserves is given in note 10.

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

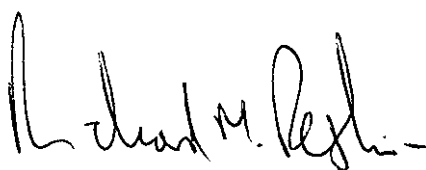
The company has no recognised gains and losses other than the profit for the year. Accordingly, no statement of total recognised gains and losses is presented.

# Basan Investments Limited

## BALANCE SHEET

at 31 March 1997

	Notes	1997 £	1996 £
<b>CURRENT ASSETS</b>			
Debtors	7	2,725,021	2,734,881
Cash at bank		2,191	488,826
		<u>2,727,212</u>	<u>3,223,707</u>
<b>CREDITORS: amounts falling due within one year</b>	8	2,713,808	3,198,728
		<u>13,404</u>	<u>24,979</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	100	100
Profit and loss account	10	13,304	24,879
		<u>13,404</u>	<u>24,979</u>



Director

10 June 1997

# Basan Investments Limited

## NOTES TO THE ACCOUNTS at 31 March 1997

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Turnover*

Turnover represents management fee income charged on developing certain properties.

### 2. TURNOVER

Turnover represents amounts derived from services provided in the United Kingdom to group undertakings, and is stated net of value added tax.

### 3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1997 £	1996 £
Bank interest receivable	18,505	29,637

### 4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Corporation tax at 33% (1996 – 33%) on the profit for the year	4,080	4,500

### 5. DIVIDENDS

	1997 £	1996 £
Proposed final dividend at £250 (1996 – £100) on 100 ordinary shares	25,000	10,000

### 6. DIRECTORS' EMOLUMENTS

The company does not have any employees.

The emoluments of all directors are disclosed in the accounts of the parent undertaking, Great Portland Estates P.L.C.

### 7. DEBTORS

	1997 £	1996 £
Amounts owed by fellow subsidiary undertakings	2,725,021	2,725,021
Prepayments and accrued income	–	9,860
	2,725,021	2,734,881

# Basan Investments Limited

## NOTES TO THE ACCOUNTS at 31 March 1997

### 8. CREDITORS: amounts falling due within one year

	1997 £	1996 £
Accruals	500	500
Amounts owed to fellow subsidiary undertakings	2,075,366	2,081,787
Amounts owed to parent undertaking	612,263	1,098,995
Current corporation tax	679	7,446
Proposed dividend	25,000	10,000
	<u>2,713,808</u>	<u>3,198,728</u>

### 9. SHARE CAPITAL

	1997 £	1996 £
Authorised, allotted, called up and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 10. PROFIT AND LOSS ACCOUNT

	£
At 1 April 1996	24,879
Retained loss for the year	(11,575)
At 31 March 1997	<u>13,304</u>

### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit for the financial year	13,425	24,892
Dividends	(25,000)	(10,000)
	<u>(11,575)</u>	<u>14,892</u>
Opening shareholders' funds	24,979	10,087
Closing shareholders' funds	<u>13,404</u>	<u>24,979</u>

### 12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of the Great Portland Estates group or investees of the group.

### 13. PARENT UNDERTAKING

The company is a wholly-owned subsidiary undertaking of Great Portland Estates P.L.C., a company registered in England. The accounts of Great Portland Estates P.L.C. can be obtained from 56 Mortimer Street, London W1N 8BD.