

**Beeson Investments**

**Directors' report and financial  
statements**

**Registered number 830744**

**31 December 2004**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

### Principal activities

The company is a property investment company.

### Business review

Details of the results for the year are set out in the profit and loss account on page 4.

### Proposed dividend

The directors do not recommend the payment of a dividend (2003: £nil).

### Directors and directors' interests

The directors who held office during the year were as follows:

RM King  
HM King  
WM King  
CM King

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the company. The interests in the ordinary shares of the ultimate parent company, International Group Limited, are disclosed in the directors' report and financial statements of that company. These can be obtained from the address given in note 17.

According to the register of directors' interests, no rights to subscribe for shares in the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

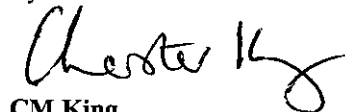
### Political and charitable contributions

The company made no political or charitable contributions during the year (2003: £nil).

### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



CM King  
Director

27<sup>th</sup> October 2005

The Manor House  
Park Road  
Stoke Poges  
Bucks  
SL2 4PG



## **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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.





**KPMG LLP**

Aquis Court  
31 Fishpool Street  
St Albans  
AL3 4RF  
United Kingdom

**Report of the independent auditors to the members of Beeson Investments**

We have audited the financial statements on pages 4 to 12.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

**Basis of audit 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 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG LLP*

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

31 OCT 2005

**Profit and loss account**  
*for the year ended 31 December 2004*

	<i>Note</i>	<b>2004</b> <b>£000</b>	2003 £000
<b>Turnover</b>		-	-
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		-	-
Administrative expenses		<b>(69)</b>	(2)
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(69)</b>	(2)
Interest payable and similar charges – including an exceptional item of £269,000 (2003: £nil)	4	<b>269</b>	(21)
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities before taxation</b>	2	<b>200</b>	(23)
Tax on profit/(loss) on ordinary activities	5	-	-
		<hr/>	<hr/>
<b>Profit/(loss) on ordinary activities after taxation and retained profit/(loss) for the year</b>		<b>200</b>	(23)
		<hr/> <hr/>	<hr/> <hr/>

The results for the current and preceding year were derived from continuing operations.

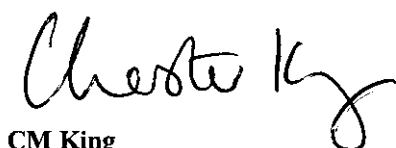
There are no recognised gains or losses during the current or preceding year other than those reflected in the profit and loss account.



**Balance sheet**  
*at 31 December 2004*

	<i>Note</i>	<b>2004</b>	<b>2003</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Tangible assets	6	290	290
<b>Current assets</b>			
Stock	7	2,448	241
Debtors	8	-	2,410
		<u>2,448</u>	<u>2,651</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(282)</u>	<u>(273)</u>
<b>Net current assets</b>		<u>2,166</u>	<u>2,378</u>
<b>Total assets less current liabilities</b>		<u>2,456</u>	<u>2,668</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>-</u>	<u>(412)</u>
<b>Net assets</b>		<u><u>2,456</u></u>	<u><u>2,256</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account	14	2,455	2,255
<b>Equity shareholder's funds</b>	13	<u><u>2,456</u></u>	<u><u>2,256</u></u>

These financial statements were approved by the board of directors on *27<sup>th</sup> October 2005* and were signed on its behalf by:

  
CM King  
Director

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of International Group Limited, which has produced a group cash flow statement in accordance with the standard.

#### *Fixed assets and depreciation*

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Fixtures and fittings	-	10 years
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#### *Freehold land and buildings*

Freehold properties held are stated at the directors' valuation. No depreciation or amortisation is provided in respect of the freehold properties. This treatment is a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The directors feel that the accounting policy adopted is therefore necessary for the accounts to give a true and fair view.

#### *Stocks and work in progress*

Freehold dealing properties and directly associated improvement costs are shown as work in progress and are stated at the lower of cost or the directors' estimate of net present value.

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

### 2 Loss on ordinary activities before taxation

Auditors' remuneration of £1,000 (2003: £1,000) has been borne by a fellow subsidiary undertaking.

## Notes (continued)

### 3 Remuneration of directors and employees

The company has no employees other than the directors (2003: none).

Four (2003: four) of the directors are also directors of other International Group companies and do not receive emoluments for their services to this company.

The details of emoluments paid to the directors can be found in the financial statements of International Group Limited. These can be obtained from the address in note 17.

### 4 Interest payable and similar charges

	2004 £000	2003 £000
Interest payable to related undertakings	-	21
Exceptional item	(269)	-
	<u>(269)</u>	<u>21</u>

The exceptional income in the year relates to past interest charges on a loan with UA Investments Limited, an overseas company owned by trusts, the settlor of which is RM King. The directors have now received clarification that these previous interest charges should not have been accrued. The interest income of £269,000 reflects the cumulative effect of this adjustment.

### 5 Taxation

Analysis of charge in period

	2004 £000	2003 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<u>-</u>	<u>-</u>
Total current tax and tax on loss on ordinary activities	<u>-</u>	<u>-</u>

## Notes (continued)

### 5 Taxation (continued)

#### *Factors affecting the tax charge for the current period*

The current tax charge for the period is lower (2003: *tax credit is lower*) than the standard rate of corporation tax in the UK (30%, 2003: 30 %). The differences are explained below.

	2004 £000	2003 £000
<i>Current tax reconciliation</i>		
Profit/(loss) on ordinary activities before tax	200	(23)
	<hr/>	<hr/>
Current tax at 30% (2003: 30%)	60	(7)
<i>Effects of:</i>		
Unpaid interest to overseas connected party	-	6
Additional tax losses arising in the year	21	1
Other short term timing differences	(81)	-
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

### 6 Tangible fixed assets

	Freehold land and buildings £000	Fixtures and fittings £000	Total £000
<i>Cost</i>			
At beginning and end of year	290	23	313
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning and end of year	-	23	23
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2004 and 31 December 2003	290	-	290
	<hr/>	<hr/>	<hr/>

### 7 Stock

	2004 £000	2003 £000
Work in progress	2,448	241
	<hr/>	<hr/>

**Notes (continued)**

**8 Debtors**

	2004 £000	2003 £000
Amounts owed by group undertakings	-	2,410

**9 Creditors: amounts falling due within one year**

	2004 £000	2003 £000
Amounts owed to group undertakings	264	269
Other creditors	2	4
Accruals and deferred income	16	-
	<u>282</u>	<u>273</u>

Any bank borrowing is supported by a mortgage debenture which has fixed and floating charges over the assets of the company. There is also a group cross guarantee arrangement in place (see note 15) which is supported by charges over other group assets.

**10 Creditors: amounts falling due after more than one year**

	2004 £000	2003 £000
Subordinated loans	-	412

The subordinated loans and amounts owed to related parties were due to certain overseas companies owned by trusts, the settlor of which is RM King.

During the year the loans from the overseas companies to Beeson Investments and other group companies were consolidated into a single loan due to the parent company, International Group Limited.

<b>Analysis of debt:</b>	<b>2004 £000</b>	<b>2003 £000</b>
Debt can be analysed as falling due:		
In one year or less, or on demand	265	269
In five years or more	-	412
	<u>265</u>	<u>681</u>

## Notes (continued)

### 11 Deferred taxation

A deferred tax asset of £17,000 (2003: £341,000) has arisen. The directors do not feel that it is appropriate to recognise this deferred tax asset in the light of current trading conditions.

The elements of deferred taxation are as follows:

	2004 £000	2003 £000
Other timing differences	-	81
Tax losses	17	260
	<hr/>	<hr/>
Undiscounted deferred tax asset	17	341
	<hr/>	<hr/>

### 12 Called up share capital

	2004 £000	2003 £000
<i>Authorised, allotted, called up and fully paid</i>		
Equity: 1,000 ordinary shares of £1 each	1	1
	<hr/>	<hr/>

### 13 Reconciliation of movements in shareholders' funds

	2004 £000	2003 £000
Profit/(loss) for the year	200	(23)
Opening shareholders' funds	2,256	2,279
	<hr/>	<hr/>
Closing shareholders' funds	2,456	2,256
	<hr/>	<hr/>

### 14 Reserves note

	Profit and loss account £000
At beginning of year	2,255
Retained profit for the financial year	200
	<hr/>
At end of year	2,455
	<hr/>

## Notes (continued)

### 15 Contingent liabilities

The company has entered into a composite cross guarantee arrangement with other group companies to guarantee overdrafts provided by a third party. In May 2004, a new composite cross guarantee was signed that included International Group Limited, Beeson and Sons Limited, IHG Healthcare Limited and International Promotions Limited, but excluded other group companies that had previously been a party to the bank guarantee (as indicated by n/a). All of these companies have common directors and common ultimate parent shareholders. The amount outstanding at the end of the year was:

	2004 £000	2003 £000
Stoke Park Club Limited (formerly International Hotels Limited) - overdraft	-	-
International Hospitals Group Limited	4,169	4,408
Stoke Park Limited	-	1,910
General Recruitment	n/a	-
International Advertising Limited	n/a	22
Contact Europe Limited	n/a	-
International Packaging Limited	-	23
International Group Limited	-	-
Beeson and Sons Limited	-	-
IHG Healthcare Limited	-	-
	<hr/> 4,169 <hr/>	<hr/> 6,363 <hr/>

### 16 Commitments

At the end of the financial year the company had no unprovided capital commitments (2003: £nil).

### 17 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company's ultimate parent undertaking and the largest and smallest group in which the company's results are consolidated is that headed by International Group Limited, a company incorporated in England and Wales. The consolidated financial statements of International Group Limited, within which this company is included, can be obtained from The Manor House, Park Road, Stoke Poges, Bucks, SL2 4PG.

The company's ultimate controlling party is RM King.

## Notes (continued)

### 18 Related party transactions

As 100% of the company's voting rights are controlled within the group headed by International Group Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group headed by International Group Limited. The consolidated financial statements of this group are available from the address given in note 17.

During the year the company had the following related party transactions with entities outside the group headed by International Group Limited:

	2004 £000	2003 £000
<b>Profit and loss account</b>		
<i>Interest payable</i>		
UA Investments Limited	-	21
	<hr/>	<hr/>
<b>Balance sheet</b>		
<i>Group creditors</i>		
UA Investments Limited	-	674
Mines America Limited	-	7
	<hr/>	<hr/>
	-	681
	<hr/>	<hr/>

UA Investments Limited and Mines America Limited are overseas companies owned by trusts, the settlor of which is RM King.