

**TBI (CARDIFF) LIMITED**  
**(Registered Number 1235394)**

**FINANCIAL STATEMENTS**

**31 MARCH 1999**



**TBI (CARDIFF) LIMITED**

**ANNUAL REPORT AND ACCOUNTS**

**31 MARCH 1999**

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**Registered Number: 1235394**

**TBI (CARDIFF) LIMITED**

**DIRECTORS AND ADVISERS**

**DIRECTORS**

G S Thomas OBE (Chairman)

K M Brooks

C F Price

**SECRETARY**

R C Clifton

**REGISTERED OFFICE**

159 New Bond Street  
London  
W1Y 9PA

## **TBI (CARDIFF) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999**

The directors present the Company's audited financial statements for the year ended 31 March 1999.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the Company remains the acquisition of land and property for investment with some development work undertaken.

#### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The Company is a wholly owned subsidiary of TBI plc and its future development is directly related to that of its parent.

On 13 May 1999, TBI plc entered into a conditional sale agreement under the terms of which TBI plc is to dispose of its entire interest in the ordinary shares of the Company (see note 19). Approval was confirmed on 1 June 1999 and the sale is expected to complete on 21 June 1999.

#### **RESULTS AND DIVIDEND**

The profit and loss account for the year is set out on page 5.

The directors recommend the payment of a dividend of £6,300,000.

#### **DIRECTORS AND DIRECTORS' INTERESTS**

K M Brooks, C F Price and G S Thomas are directors of TBI plc and their interests are disclosed in the directors' report of that company.

None of the directors held any interests in the shares of the Company during the year.

#### **YEAR 2000**

The directors have assessed the risks to the Company arising as a result of the Year 2000 problem and have concluded that there is likely to be limited impact upon the Company's operations. The Company has developed plans to address the issues and the directors are of the view that the cost associated with the implementation of the plans will be immaterial.

By order of the board



Company Secretary

17 June 1999

## TBI (CARDIFF) LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999 (CONTINUED)

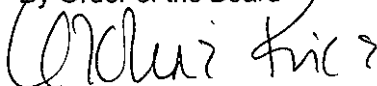
#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 at the balance sheet date and of the profit or loss of the Company for the 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, subject to any material departures disclosed and explained in the financial statements;
- 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.

By Order of the Board



C F Price  
Director

17 June 1999

## **AUDITORS' REPORT TO THE MEMBERS OF TBI (CARDIFF) LIMITED**

We have audited the financial statements on pages 5 to 14, which have been prepared in accordance with the historical cost convention, as modified by the revaluation of certain assets, and the accounting policies set out on pages 8 and 9.

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

The directors are responsible for preparing the Annual Report, including as described on page 3 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and 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. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

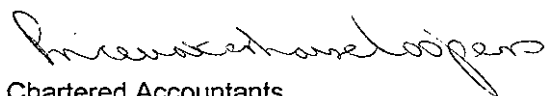
### **Basis of opinion**

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 at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants  
and Registered Auditors

17 June 1999

**TBI (CARDIFF) LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE  
YEAR ENDED 31 MARCH 1999**

	<u>1999</u> £	<u>1998</u> £
<b>TURNOVER</b> (Notes 1 and 2)	<b>215,045</b>	76,777
Cost of sales	<u>4,217</u>	<u>7,253</u>
<b>GROSS PROFIT</b>	<b>219,262</b>	84,030
Net administrative expenses	<u>(22,951)</u>	<u>10,656</u>
<b>OPERATING PROFIT</b>	<b>196,311</b>	94,686
Investment income	<b>556,279</b>	-
Interest payable and similar charges (Note 5)	<u>(119)</u>	<u>(30,702)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 3)	<b>752,471</b>	63,984
Taxation on profit on ordinary activities (Note 6)	<u>(68,000)</u>	<u>-</u>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>	<b>684,471</b>	63,984
Dividend (Note 7)	<u>(6,300,000)</u>	<u>-</u>
<b>RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR</b> (Note 15)	<u><b>(5,615,529)</b></u>	<u><b>63,984</b></u>

All activities shown above are wholly derived from continuing operations.

There is no difference between profit for the financial year above and its historical cost profit equivalent.

The notes on pages 8 to 14 form an integral part of these financial statements.

**TBI (CARDIFF) LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 1999**

	<u>1999</u>	<u>1998</u>
	£	£
Profit for the financial year	684,471	63,984
Unrealised surplus on revaluation of properties	<u>5,000</u>	<u>-</u>
Total recognised gains and losses for the financial year	<u>689,471</u>	<u>63,984</u>



# TBI (CARDIFF) LIMITED

## BALANCE SHEET AS AT 31 MARCH 1999

	£	<u>1999</u> £	£	<u>1998</u> £
<b>FIXED ASSETS</b>				
Investment properties (Note 8)		2,995,000		2,990,000
Investments (Note 9)		<u>2</u>		<u>3,452</u>
		2,995,002		2,993,452
<b>CURRENT ASSETS</b>				
Development properties (Note 10)	-		426,129	
Debtors (Note 11)	7,137,841		6,125,027	
Cash at bank and in hand	-		<u>909</u>	
	7,137,841		6,552,065	
<b>CREDITORS – Amounts falling due within one year (Note 12)</b>	<u>(6,419,297)</u>		<u>(159,396)</u>	
<b>NET CURRENT ASSETS</b>		<u>718,544</u>		<u>6,392,669</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,713,546		9,386,121
<b>PROVISIONS FOR LIABILITIES AND CHARGES (Note 13)</b>		<u>(505,118)</u>		<u>(567,164)</u>
<b>NET ASSETS</b>		<u>3,208,428</u>		<u>8,818,957</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital (Note 14)		900,000		900,000
Capital redemption reserve		500,000		500,000
Profit and loss account (Note 15)		529,309		6,144,838
Revaluation reserve (Note 15)		<u>1,279,119</u>		<u>1,274,119</u>
<b>EQUITY SHAREHOLDERS' FUNDS (Note 16)</b>		<u>3,208,428</u>		<u>8,818,957</u>

APPROVED BY THE BOARD ON  
AND SIGNED ON ITS BEHALF BY:

*C F Price*

C F Price  
DIRECTOR

17 June 1999

The notes on pages 8 to 14 form an integral part of these financial statements.

## **TBI (CARDIFF) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1999**

#### **1 ACCOUNTING POLICIES**

The Company's principal accounting policies, which have been applied consistently, are set out below:

##### **(1) Accounting convention**

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost convention, as modified by the revaluation of properties held for investment. Compliance with SSAP 19 "Accounting for Investment Properties", requires departure from the requirements of the Companies Act 1985 relating to depreciation and the explanation of the departure is given in note 1(4).

##### **(2) Turnover**

Turnover comprises the value of development properties sold during the period, recognised on completion, and rents receivable during the period, excluding value added tax.

##### **(3) Interest**

Interest costs are taken to the profit and loss account in the period in which they are incurred.

##### **(4) Investment properties**

In accordance with SSAP 19, investment properties are revalued annually by independent property consultants and the aggregate surplus or deficit is transferred to a revaluation reserve. No provision is made for depreciation of freehold properties or for amortisation of leasehold properties held on leases having more than 20 years unexpired. This departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated, is, in the opinion of the directors, necessary for the financial statements to show a true and fair view in accordance with applicable accounting standards. The depreciation or amortisation (which would, had the provisions of the Act been followed, have reduced profit for the year) is only one of the factors reflected in the annual valuation and the amount attributable to this factor cannot reasonably be separately identified or quantified.

Profits and losses on disposal of investment properties are included in the profit and loss account as part of the ordinary activities of the Company and are calculated as the difference between net sales proceeds and book value at the date of disposal.

##### **(5) Development properties**

Development properties represent land and property held with the intention of re-sale. Development properties are included at the lower of cost and net realisable value. Where cost exceeds the value of the property then adjustments are made to write down the carrying value accordingly. Cost represents all costs incurred to the balance sheet date but does not include any interest costs.

## **TBI (CARDIFF) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1999 (CONTINUED)**

#### **1 ACCOUNTING POLICIES (CONTINUED)**

##### **(6) Investments**

Investments are included at cost less provision for any permanent diminution in value.

##### **(7) Deferred taxation**

Provision for deferred taxation is made using the liability method. Provision is only made to the extent that there is a reasonable probability that a liability will crystallise in the foreseeable future.

No provision is made for taxation which would become payable under present legislation in the event of future sales of the properties at the amounts at which they are stated in the financial statements.

##### **(8) Cash flow statement**

The Company has taken advantage of the exemptions contained in Financial Reporting Standard 1 (Revised), not to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of TBI plc, in which the Company is included, are publicly available and contain a consolidated cash flow statement.

#### **2 TURNOVER**

	<u>1999</u> £	<u>1998</u> £
Rents receivable	<u>215,045</u>	<u>76,777</u>

#### **3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The Company had no employees during the year (1998 - Nil), with all administration being carried out by the ultimate parent company, TBI plc.

Auditors' remuneration in respect of the Company was borne by the ultimate parent company, TBI plc (1998 - £Nil). No non-audit fees arose in the year (1998 - £Nil).

# TBI (CARDIFF) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1999 (CONTINUED)

### 4 DIRECTORS' EMOLUMENTS

G S Thomas, K M Brooks and C F Price are directors of TBI plc. Their emoluments are disclosed in the financial statements of TBI plc. No management recharges are made by TBI plc in respect of their services to the Company.

### 5 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1999</u> £	<u>1998</u> £
Interest payable on bank loans and overdrafts	<u>119</u>	<u>30,702</u>

### 6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<u>1999</u> £	<u>1998</u> £
Corporation tax @ 31%	<u>68,000</u>	<u>-</u>

No provision was made for deferred tax during the year (1998 - £Nil). The unprovided deferred tax liability on the difference between revalued and historical cost amounts of investment properties at 31% (1998 - 31%) was some £396,527 (1998 - £394,977). This is indicative only, since indexation allowance and other costs should reduce any actual liability.

### 7 DIVIDEND

	<u>1999</u> £	<u>1998</u> £
Dividend proposed 700p per share (1998: £Nil)	<u>6,300,000</u>	<u>-</u>

### 8 INVESTMENT PROPERTIES

	<u>Freehold property</u> £	<u>Long Leasehold Property</u> £	<u>Total</u> £
<b>VALUATION</b>			
At 1 April 1998	240,000	2,750,000	2,990,000
Revaluation	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>At 31 March 1999</b>	<u>245,000</u>	<u>2,750,000</u>	<u>2,995,000</u>

## TBI (CARDIFF) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1999 (CONTINUED)

The properties were valued on the basis of open market value, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, at 31 March 1999 by Healey & Baker, International Real Estate Consultants, at a total value of £2,995,000 (1998: £2,990,000).

The aggregate historic cost of the properties is £1,715,881 (1998 - £1,715,881).

#### 9 INVESTMENTS

	<u>1999</u> £	<u>1998</u> £
Shares in subsidiary undertakings	2	2
Other	-	3,450
	<u>2</u>	<u>3,452</u>

The shares in subsidiary undertakings included an amount of £100, being the cost of investment in TBI (Bristol) Limited. It also includes £2, being the cost of investment in TBI (Tredegar) Limited. Provision has been made for these amounts (see Note 13).

The following companies, registered in England and Wales and operating in the UK, are wholly owned subsidiaries of TBI (Cardiff) Limited.

TBI (Bristol) Limited  
TBI (South Wales) Limited  
TBI (Tredegar) Limited

In all cases the Company holds 100% of the issued ordinary share capital.

All of the subsidiaries are engaged in property development and investment.

Group accounts have not been prepared because TBI (Cardiff) Limited is itself a member of a UK group of companies which prepares group accounts and, therefore, is exempt from preparing group accounts by virtue of Section 228 of the Companies Act 1985.

In the directors' opinion, the value of the investment in subsidiary undertakings is not less than the aggregate amount at which it is stated in the balance sheet.

#### 10 DEVELOPMENT PROPERTIES

	<u>1999</u> £	<u>1998</u> £
Land and completed properties	-	426,129

# TBI (CARDIFF) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1999 (CONTINUED)

### 11 DEBTORS

	<u>1999</u> £	<u>1998</u> £
Amounts due within one year:		
Trade debtors	7,742	1,593
Amounts due from parent company	6,813,283	-
Amounts due from subsidiary undertakings	300,000	6,029,850
Other debtors	16,816	93,584
	<u>7,137,841</u>	<u>6,125,027</u>

### 12 CREDITORS - Amounts falling due within one year

	<u>1999</u> £	<u>1998</u> £
Amounts owed to parent company	6,300,000	139,128
Corporation tax	68,000	2,984
Taxation and social security	7,982	17,284
Accruals and deferred income	43,315	-
	<u>6,419,297</u>	<u>159,396</u>

### 13 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1999</u> £	<u>1998</u> £
Provision for the net liability position of TBI (Bristol) Limited (Note 9)	505,118	509,640
Provision for the net liability position of TBI (Tredegar) Limited (Note 9)	-	57,524
	<u>505,118</u>	<u>567,164</u>

### 14 CALLED UP SHARE CAPITAL

	<u>1999</u> £	<u>1998</u> £
Authorised, allotted, called up and fully paid:		
900,000 ordinary shares of £1 each	900,000	900,000

# TBI (CARDIFF) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1999 (CONTINUED)

### 15 RESERVES

	Profit and Loss £	Revaluation Reserve £
At 1 April 1998	6,144,838	1,274,119
Movement during the year	(5,615,529)	5,000
<b>At 31 March 1999</b>	<b><u>529,309</u></b>	<b><u>1,279,119</u></b>

### 16 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	<u>1999</u> £	<u>1998</u> £
Profit for the financial year	684,471	63,984
Dividends	(6,300,000)	-
	<u>(5,615,529)</u>	<u>63,984</u>
Revaluation surplus	5,000	-
Net (decrease in)/addition to shareholders' funds	<u>(5,610,529)</u>	<u>63,984</u>
Shareholders' funds at the beginning of the year	<u>8,818,957</u>	<u>8,754,973</u>
<b>Shareholders' funds at the end of the year</b>	<b><u>3,208,428</u></b>	<b><u>8,818,957</u></b>

### 17 RELATED PARTY TRANSACTIONS

In accordance with the exemption afforded by FRS 8 ("related party transactions"), there is no disclosure in these financial statements of transactions with entities that are part of the TBI Group.

### 18 CONTINGENT LIABILITIES

The Company has entered into guarantees in respect of the bank overdrafts and borrowings of its ultimate parent, TBI plc and other group undertakings. At 31 March 1999 the amounts due by the group under such guarantees amounted to £65,000,000 (1998 - £65,000,000). The directors do not anticipate any liability arising as a result of these guarantees. These loans and overdrafts have been secured by fixed and floating charges over the Company's assets.

The Company is included in a group registration for value added tax purposes and is therefore jointly and severally liable for all unpaid debts of the parent and certain fellow subsidiary undertakings in this connection.

## **TBI (CARDIFF) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 1999 (CONTINUED)**

#### **19 POST BALANCE SHEET EVENT**

On 13 May 1999, TBI plc entered into a conditional sale agreement under the terms of which TBI plc is to dispose of its entire interest in a number of subsidiary undertakings, including the Company. The sale agreement was conditional upon the approval of TBI's shareholders at Extraordinary General Meeting. Approval was confirmed on 1 June 1999 and the sale is expected to complete on 21 June 1999.

#### **20 ULTIMATE PARENT COMPANY**

The Company's ultimate parent company is TBI plc, a company registered in England and Wales. This is the only group of which the Company is a member for which group financial statements are prepared. Copies of the TBI plc financial statements may be obtained from 159 New Bond Street, London, W1Y 9PA.