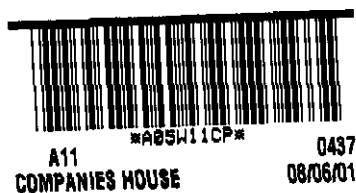


**Argent Estates Limited**

**Directors' report and consolidated  
financial statements**

**Registered number 1573790**

**31 December 2000**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### Principal activities

The group undertakes large scale property developments, mostly by way of Argent Projects Partnership ("APP"). APP's projects include, inter alia, the Alder Castle and Green Park developments, the London International Freight Exchange scheme, the group's development interests at Brindleyplace (via Argent Development Consortium Limited) and sites at Forbury Square, Reading and Piccadilly Gardens, Manchester.

### Business review

Whilst the group's post-tax profit of £1.7 million (1999 - £7.7 million) reflects a lack of sales of APP projects to third parties, 2000 was a year of good progress as explained below.

#### *Argent Projects Partnership*

APP (the partnership between the group and its founders, Michael and Peter Freeman) has achieved the following:-

##### *Alder Castle, 10 Noble Street, London EC2*

Construction of this 94,000 sq ft office development between Gresham Street and London Wall in the City of London was completed in July 1999. The letting of the entire space was concluded in July 2000, and a contract for its sale was entered into in late May 2001.

##### *London International Freight Exchange*

The Inquiry, which started in April, concluded in October 2000. The outcome is not expected until later this year. The scheme aims to provide 2.3 million sq ft of rail served distribution to the south west of the junction of the M4 and M25. Railtrack has acquired a 20% interest in the development.

##### *Forbury Square, Reading*

This two acre site in the centre of Reading was purchased from Prudential in October 1999. In February 2001 planning approval was gained for two offices totalling 146,000 sq ft of lettable space and a restaurant. Construction commenced in April 2001.

##### *Piccadilly Gardens, Manchester*

This one acre site was purchased from Manchester City Council in late 1999. During 2000, the competition to select an architect was concluded and an application was made for planning permission, which has been granted. Construction of 145,000 sq ft of offices and restaurants should commence by early summer 2001.

##### *Argent Development Consortium Limited ("ADC") - Brindleyplace*

At Brindleyplace, Birmingham, Argent has developed 600,000 sq ft of offices, 130,000 sq ft of leisure, the 300 seat Crescent Theatre, a multi-storey car park and two public squares. The development had already won several awards and in 2000 Four Brindleyplace won the British Council for Offices Regional, National and Best of the Best Awards for Office of the Year. Other achievements during the year included the British Urban Regeneration Association Best Practice Award, a Civic Trust Award for quality and appearance of the environment, and two Secure by Design Awards.

Lettings of new space, which totalled 78,000 sq ft during 2000, substantially filled Four Brindleyplace and completed the occupation of Nine Brindleyplace.

Six Brindleyplace, 92,000 sq ft, was completed in March 2000 and is now available for letting. In March 2000 a start was made on Eight Brindleyplace, located on the south side of Oozells Square, which will provide 92,000 sq ft of commercial space and 35 apartments. Completion is due at the end of 2001.

First Stop Hotels, who have developed an 84,000 sq ft City Inn Hotel, achieved practical completion in early 2001 and have just opened for business.

## **Directors' report** *(continued)*

### **Business review** *(continued)*

#### *Argent Estates Limited*

The first of the deferred payments, which will total £2.3 million, in respect of Queens College Chambers, Paradise Street, Birmingham is due on 2 July 2001 from Crest Nicholson.

In December 2000, Nine Brindleyplace was purchased from ADC in order to progress Argent's objective of bringing Brindleyplace under common control. Argent is currently formulating plans for a collective investment vehicle in which participation by the institutional owners of other Brindleyplace properties will be welcomed.

### **Dividends**

No dividends are proposed and none have been paid during the year (1999: nil).

### **Directors and directors' interests**

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

R N Madelin  
A J Giddings  
D J G Partridge  
A J S Prower  
S Tillman  
G Taylor  
M I Freeman  
P G Freeman

None of the directors held any shares in the company at either 31 December 2000 or 1999. Other than M I Freeman and P G Freeman (see note 10), the directors have no interest in any contracts of the group.

A Directors' and Officers' liability insurance policy is maintained, which covers all directors and officers within the group.

### **Political and charitable contributions**

The group made no political contributions during the year. Donations to UK charities amounted to £12,000 (1999: £6,000).

### **Auditors**

KPMG Audit Plc have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the board



**A J S Prower**  
*Secretary*  
31 May 2001

*Registered office:*  
5 Albany Courtyard  
Piccadilly  
London  
W1J 0HF

## 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 group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and group 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 group and to prevent and detect fraud and other irregularities.



KPMG Audit Plc

PO Box 695  
8 Salisbury Square  
London EC4Y 8BB  
United Kingdom

## Report of the auditors to the members of Argent Estates Limited

We have audited the financial statements on pages 5 to 16.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, 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. 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 group'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 affairs of the company and of the group as at 31 December 2000 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*KPMG Audit Plc*

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor

31 May 2001

**Consolidated profit and loss account**  
*for the year ended 31 December 2000*

		2000			1999		
	Note	Group £000	Interest in APP joint venture £000	Total £000	Group £000	Interest in APP joint venture £000	Total £000
<b>Turnover</b>							
Cost of sales		3,948 (1,319)	- (2,753)	3,948 (4,072)	2,270 (440)	38,181 (32,369)	40,451 (32,809)
<b>Gross (loss)/profit</b>							
Administrative expenses		2,629 (5,612)	(2,753) 96	(124) (5,516)	1,830 (2,506)	5,812 (16)	7,642 (2,522)
Other operating income		14	-	14	409	-	409
Exceptional item	2	1,866	-	1,866	-	-	-
<b>Operating (loss)/profit</b>							
(Loss) on sale of investment properties	3	(1,103)	(2,657)	(3,760)	(267)	5,796	5,529
(Loss)/profit on sale of fixed assets	6	- (4)	- -	- (4)	(402) 10	- -	(402) 10
<b>(Loss)/profit before interest</b>							
Net interest receivable	7	(1,107) 7,782	(2,657) 175	(3,764) 7,957	(659) 3,435	5,796 303	5,137 3,738
<b>Profit/(loss) on ordinary activities before taxation</b>							
Tax on profit on ordinary activities	8	6,675 (4)	(2,482) (2,462)	4,193 (2,466)	2,776 -	6,099 (1,207)	8,875 (1,207)
<b>Profit/(loss) for the financial year</b>	18	6,671	(4,944)	1,727	2,776	4,892	7,668

There are no recognised gains and losses other than the profit for the year.

There is no difference between the results as stated and the results on a historical cost basis.

All amounts derive from continuing operations.

**Consolidated balance sheet**  
*At 31 December 2000*

	<i>Note</i>	<b>2000</b> <b>£000</b>	<b>2000</b> <b>£000</b>	<b>1999</b> <b>£000</b>	<b>1999</b> <b>£000</b>
<b>Fixed assets</b>					
Investments	9		3		3
Investment in joint venture	10				
Share of gross assets		90,846		75,311	
Share of gross liabilities		(77,667)		(76,729)	
			13,179		(1,418)
Other fixed assets	11		673		793
			13,855		(622)
<b>Current assets</b>					
Stock of properties	12		17,476		8,541
Debtors	13		7,039		19,994
Cash at bank and in hand			137,030		125,702
			161,545		154,237
<b>Creditors: amounts falling due within one year</b>	14		(150,231)		(147,759)
<b>Net current assets</b>			11,314		6,478
<b>Total assets less current liabilities</b>			25,169		5,856
<b>Creditors: amounts falling due after more than one year</b>	15		(19,900)		-
<b>Provisions for liabilities and charges</b>	16		-		(2,314)
<b>Net assets/(liabilities)</b>			5,269		3,542
<b>Capital and reserves</b>					
Called up share capital	17		50		50
Profit and loss account	18		5,219		3,492
<b>Equity shareholders' funds</b>			5,269		3,542

These financial statements were approved by the board of directors on 31 May 2001 and were signed on its behalf by



**S Tillman**  
Director



**AJS Prower**  
Director



**Company balance sheet**  
*At 31 December 2000*

	<i>Note</i>	2000 £000	1999 £000
<b>Fixed assets</b>			
Investments	9	32,979	50,948
Other fixed assets	11	673	793
		<hr/> 33,652 <hr/>	<hr/> 51,741 <hr/>
<b>Current assets</b>			
Stock of properties	12	-	8,541
Debtors	13	7,104	19,994
Cash at bank and in hand		136,518	125,702
		<hr/> 143,622 <hr/>	<hr/> 154,237 <hr/>
<b>Creditors: amounts falling due within one year</b>	14	(163,744)	(200,122)
<b>Net current liabilities</b>		<hr/> (20,122) <hr/>	<hr/> (45,885) <hr/>
<b>Total assets less current liabilities</b>		13,530	5,856
Provisions for liabilities and charges	16	(5,721)	(2,314)
<b>Net assets</b>		<hr/> 7,809 <hr/>	<hr/> 3,542 <hr/>
<b>Capital and reserves</b>			
Called up share capital	17	50	50
Profit and loss account	18	7,759	3,492
<b>Equity shareholders' funds</b>		<hr/> 7,809 <hr/>	<hr/> 3,542 <hr/>

These financial statements were approved by the board of directors on 31 May 2001 and were signed on its behalf by



**S Tillman**  
*Director*



**AJS Prower**  
*Director*

## Notes to the financial statements

### 1 Principal accounting policies

#### *Basis of consolidation and preparation of financial information*

The financial statements have been prepared under the historical cost convention, and in accordance with accounting standards applicable in the United Kingdom and the requirements of the Companies Act 1985. The principal accounting policies, which have been applied consistently, are set out below.

The financial statements include the financial statements of the company and its subsidiary undertakings and the appropriate share of the results of its joint ventures.

Under FRS1 Cash Flow Statements (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly-owned subsidiary undertaking. The company, as permitted by Section 230 of the Companies Act 1985, does not present its own profit and loss account.

The company has taken advantage of the exemption in FRS8 Related Party Disclosures in order to dispense with the requirement to disclose transactions with other members of the BriTel Property Acquisitions Limited group.

The financial statements have been prepared on the going concern basis since the directors have received assurances from the holding company, Argent Group PLC, that it will not demand repayment of the balances owed to it by the company if to do so would mean that the company could not meet its liabilities as they fall due.

#### *Interest in joint ventures*

The group's share of the assets and liabilities of its joint ventures are included within the group's consolidated balance sheet and its share of the results of its joint ventures is included within the consolidated profit and loss account. The group's share of the results of both APP and ADC are not the same as its share of their assets and liabilities, because of the profit sharing arrangements within each joint venture.

Within both APP and ADC, costs of developments in progress include costs of acquisition and development to date, attributable fees, expenses and finance costs. The interest rate applied is the actual rate payable on the borrowings raised specifically for the development.

#### *Development property*

Property stocks, which represent properties and developments held for resale other than those held by the group's joint ventures, are included under current assets in the balance sheet at the lower of cost and net realisable value. Full provision is made in the profit and loss account for anticipated losses. Where property is purchased from a joint venture by the group, its carrying value in stock and work in progress is stated net of the group's share of the profit arising from the sale of the property by the joint venture.

Cost of property includes costs of acquisition and development to date, including directly attributable fees, expenses and finance charges less related rental income. For this purpose, the interest rate applied to funds provided for property development is arrived at by reference, where appropriate, to the actual rate payable on borrowings raised specifically for a development or the average rate paid on funding the assets employed by the group.

Purchases and sales are recognised on completion of contracts. Profits on sales under forward funding transactions are recognised on a prudent basis in accordance with the long term contract provisions of SSAP9.

#### *Fixed asset investments*

Fixed asset investments are stated at cost less any provisions for permanent impairment in value.

#### *Depreciation and amortisation*

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

Short leasehold improvements	-	over period of the lease
Fixtures, fittings and office equipment	-	between four and eight years
Motor vehicles	-	four years

## Notes (continued)

### 1 Principal accounting policies (continued)

#### Deferred taxation

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements, to the extent that it is probable that a liability or asset will crystallise.

### 2 Exceptional item

	2000 £000	1999 £000
Waiver of debt due from associated undertaking	1,866	-

### 3 Operating (loss)/profit

Operating (loss)/profit is stated after charging / (crediting) the following:

	2000 £000	1999 £000
Depreciation of tangible fixed assets	214	839
Auditors' remuneration – audit	13	7
Auditors' remuneration - other services	82	60
Other operating income – rents	(14)	(409)

The auditors' remuneration does not include audit fees paid by APP and ADC, which amounted to £35,000 (1999: £32,000).

Of the consolidated results for the financial year, a profit of £4,267,000 (1999: £7,668,000) has been dealt with in the financial statements of the company.

### 4 Staff numbers and costs

The average number of persons employed by the group (including executive directors but excluding non executive directors) during the year, analysed by category, was as follows:

	Number of employees 2000	1999
Property development	17	16
Administration	8	8
	25	24

The aggregate payroll costs (excluding a bonus covering the years 1998 to 2000 – see note 5) were as follows:

	2000 £000	1999 £000
Wages and salaries	1,441	1,353
Social security costs	156	138
	1,597	1,491

## Notes (continued)

### 5 Directors' remuneration

The emoluments paid to directors during 2000 were £792,000 (1999: £555,000), which includes £38,000 (1999: £52,000) of contributions to the group's personal pension scheme for 3 directors (1999: nil). In addition, an aggregate bonus of £2,730,000 has been provided for in the company's financial statements this year. This will be paid to the executive directors on signature of these financial statements.

The highest paid director received emoluments totalling £183,000 (1999: £180,000) which is included in the emoluments and will receive a bonus of £661,000.

### 6 Loss on sale of investment properties

	2000 £000	1999 £000
Net sale proceeds	-	11,448
Less: net carrying values	-	(11,850)
	<u>-</u>	<u>(402)</u>

### 7 Net interest receivable

	2000 £000	1999 £000
Interest receivable and similar income	7,786	3,446
Amounts payable on overdrafts and bank loans	(4)	(11)
Share of interest receivable by joint venture	175	303
	<u>7,957</u>	<u>3,738</u>

### 8 Tax on profit on ordinary activities

	2000 £000	1999 £000
Corporation tax at 30% (1999: 30.25 %)	4	-
Share of joint venture's tax - current year	627	1,207
- prior years	1,835	-
	<u>2,466</u>	<u>1,207</u>

The group's taxable profits have been reduced by group relief and losses brought forward.

The share of joint ventures tax in respect of prior years results from the sourcing of additional APP profits from ADC

## Notes (continued)

### 9 Fixed asset investments

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
Shares in subsidiary undertakings (see below)			50	50
Investment in Argent Projects Partnership			32,926	50,895
Other investments	3	3	3	3
	<u>3</u>	<u>3</u>	<u>32,979</u>	<u>50,948</u>
	<u><u>3</u></u>	<u><u>3</u></u>	<u><u>32,979</u></u>	<u><u>50,948</u></u>

The group's principal subsidiary undertakings at 31 December 2000 are listed below:

	Nature of trade
Argent (L.I.F.E.) PLC	Property development
Argent (Alder Castle) Limited	Property development
Nine Brindleyplace Limited	Property development

All subsidiary undertakings are wholly owned and are registered in England and Wales. The directors are satisfied they are worth at least as much as the value at which they are included in the financial statements.

## Notes (continued)

### 10 Investment in joint venture

The group, together with Peter and Michael Freeman ("the Freemans") who are non-executive directors of the company, principally trades via a partnership, known as the Argent Projects Partnership ("APP"). The Freemans contribute 5% of the equity to APP, with the balance being contributed by Argent Estates Limited. APP's assets include voting, income and preference shares in Argent Development Consortium Limited ("ADC"), development projects known as Alder Castle, EC2, Forbury Square, Reading, Piccadilly Gardens, Manchester and GreenPark, near Reading, and other projects at Weybridge, Ffos-y-Fran, Theydon Mount and the London International Freight Exchange. The profit shares within APP are subject to ratchet arrangements, whereby the Freemans receive a greater share of the profits generated once predetermined internal rates of return have been achieved on the projects involved.

*A summary of the financial statements at 31 December 2000 for APP is set out below:*

<b>Balance sheet as at 31 December 2000</b>	<b>2000 £000</b>	<b>1999 £000</b>
Investment in joint venture (ADC)		
Share of gross assets	37,043	34,022
Share of gross liabilities	(32,283)	(29,752)
Debtors	94	-
Work in progress	58,752	45,252
Due (to)/from group companies	(34,390)	15,377
Other creditors	(580)	(8,388)
<b>Partnership net assets</b>	<b>28,636</b>	<b>56,511</b>
Partners' capital and current accounts		
Argent	27,204	53,685
Freemans	1,432	2,826
<b>Partnership equity</b>	<b>28,636</b>	<b>56,511</b>
<b>Profit and loss account for the year ended 31 December 2000</b>		
<b>Turnover</b>		
APP turnover	-	48,731
Share of ADC turnover	9,251	14,904
	<b>9,251</b>	<b>63,635</b>
<b>Cost of sales</b>		
APP cost of sales	(2,633)	(35,838)
Share of ADC cost of sales	(7,349)	(14,363)
	<b>(9,982)</b>	<b>(50,201)</b>
<b>Development (loss)/profits</b>	<b>(731)</b>	<b>13,434</b>
Overheads	101	(26)
<b>(Loss)/profit before interest</b>	<b>(630)</b>	<b>13,408</b>
Net interest receivable	185	505
<b>(Loss)/profit before taxation</b>	<b>(445)</b>	<b>13,913</b>
Taxation (ADC only)	(660)	(2,012)
<b>(Loss)/profit after taxation</b>	<b>(1,105)</b>	<b>11,901</b>

## Notes (continued)

### 10 Investment in joint venture (continued)

In respect of construction work underway (excluding ADC), expenditure contracted but not provided for in the financial statements of APP totalled £nil at 31 December 2000 (1999: £nil). APP's principal place of business is 5 Albany Courtyard, Piccadilly, London W1J 0HF.

As explained above, APP holds an interest in ADC.

A summary of the audited financial statements for ADC at 31 December 2000 is set out below:

Balance sheet as at 31 December 2000	2000 £000	1999 £000
Stock of properties and work in progress	74,975	76,142
Debtors	1,239	1,086
Cash at bank and in hand	3,479	4,033
Creditors: amounts falling due within one year	(7,385)	(4,639)
Creditors: amounts falling due after more than one year	(62,308)	(66,622)
<b>Net assets</b>	<b>10,000</b>	<b>10,000</b>
Share capital	3,902	3,902
Profit and loss account	-	-
Shareholders' loan stock	6,098	6,098
	<b>10,000</b>	<b>10,000</b>

As the result of Argent's original investment in ADC, APP receives 38.46% of ADC's profits until each consortium member in ADC has generated an internal rate of return of 13.25% on the consortium member's overall investment in ADC, thereafter APP receives 49% of all further ADC profits. APP's original investment in ADC was made earlier than those made by the other consortium members and, as a result, APP's share of ADC's profit is also weighted to reflect Argent's earlier investment.

During 2000 APP increased its interest by purchasing from The United Bank of Kuwait PLC, 'F' Voting shares, 'C' income shares and 'B' loan stock, which represents an additional interest of 4.38% in ADC.

Profit and loss account for the year ended 31 December 2000	2000 £000	1999 £000
<b>Turnover</b>	<b>19,900</b>	<b>27,651</b>
Cost of sales	(17,997)	(14,942)
<b>Development profit</b>	<b>1,903</b>	<b>12,709</b>
Administrative expenses	130	(17)
Net interest receivable	179	960
<b>Profit on ordinary activities before taxation</b>	<b>2,212</b>	<b>13,652</b>
Tax on profit on ordinary activities	(664)	(3,732)
<b>Profit on ordinary activities after taxation</b>	<b>1,548</b>	<b>9,920</b>

In respect of construction work underway, expenditure contracted but not provided for in the financial statements of ADC totalled £10.8 million at 31 December 2000 (1999: £0.55 million).

ADC is registered in England; company number 3134233, its principal place of business and registered office are 5 Albany Courtyard, Piccadilly, London W1J 0HF.

## Notes (continued)

### 11 Tangible fixed assets

Group and company	Short leasehold land and buildings £000	Fixtures, fittings and office equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>				
At 1 January 2000	807	491	275	1,573
Additions at cost	10	37	66	113
Disposals	-	(3)	(44)	(47)
<b>At 31 December 2000</b>	<b>817</b>	<b>525</b>	<b>297</b>	<b>1,639</b>
<b>Depreciation:</b>				
At 1 January 2000	405	289	86	780
Charge for the year	69	77	68	214
Disposals	-	(3)	(25)	(28)
<b>At 31 December 2000</b>	<b>474</b>	<b>363</b>	<b>129</b>	<b>966</b>
<b>Net book value:</b>				
<b>At 31 December 2000</b>	<b>343</b>	<b>162</b>	<b>168</b>	<b>673</b>
At 31 December 1999	402	202	189	793

### 12 Stock of properties

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Stock of properties	17,476	650	-	650
Work in progress to be transferred to APP	-	7,891	-	7,891
	<b>17,476</b>	<b>8,541</b>	<b>-</b>	<b>8,541</b>

The value that stock is held at in the consolidated balance sheet has been reduced by the group's share of the joint venture's profit (see note 1 – accounting policies) on the sale of the property concerned to the group.

### 13 Debtors

	Group		Company	
	2000 £000	1999 £000	2000 £000	1999 £000
Trade debtors due within one year	1,247	11,599	1,022	11,599
Trade debtors due after more than one year	1,450	-	1,450	-
Amounts owed by group undertakings	-	-	291	-
Amounts owed by Argent Projects Partnership	93	2,340	92	2,340
Other debtors, prepayments and accrued income	4,249	6,055	4,249	6,055
	<b>7,039</b>	<b>19,994</b>	<b>7,104</b>	<b>19,994</b>



## Notes (continued)

### 14 Creditors: amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
Trade creditors	24	70	23	70
Amounts owed to holding companies and group undertakings	145,914	142,909	145,964	142,959
Amounts owed to Argent Projects Partnership			2,212	45,085
Other creditors including taxation and social security	3,981	4,780	3,807	5,258
Amounts owed to joint venture partners			11,676	6,750
Accruals and deferred income	312	-	62	-
	<u>150,231</u>	<u>147,759</u>	<u>163,744</u>	<u>200,122</u>

### 15 Creditors: amounts falling due after more than one year

	Group	
	2000	1999
	£000	£000
Bank loan – due for repayment by 18 July 2003	<u>19,900</u>	<u>-</u>

The loan is secured on the group's Nine Brindleyplace property and suffers interest at a margin of 0.9% over the lender's cost of 3 month LIBOR funds. Since the year end a swap which fixes the cost of funds until July 2002 at 5.56% has been arranged and an interest rate cap at 7% between July 2002 and July 2003 has been purchased.

### 16 Provisions for liabilities and charges

	Group		Company	
	2000	1999	2000	1999
	£000	£000	£000	£000
Provision for rates on a development property	-	440	-	440
Other provisions	-	1,874	5,721	1,874
	<u>-</u>	<u>2,314</u>	<u>5,721</u>	<u>2,314</u>

### 17 Called up share capital

The share capital outstanding at the year end was:

	Group and Company			
	2000	2000	1999	1999
	Number	£000	Number	£000
Ordinary shares of £1 each:				
Authorised and issued	<u>50,000</u>	<u>50</u>	<u>50,000</u>	<u>50</u>
Allotted, called up and fully paid	<u>50,000</u>	<u>50</u>	<u>50,000</u>	<u>50</u>

**Notes (continued)**

**18 Profit and loss account**

	Group	Company
	£000	£000
At 31 December 1999	3,492	3,492
Profit for the year	1,727	4,267
	<hr/>	<hr/>
At 31 December 2000	5,219	7,759
	<hr/> <hr/>	<hr/> <hr/>

**19 Related party transactions**

During the year the company and Argent Projects Partnership charged project management fees of £527,000 (1999: £511,000) to Argent Development Consortium Limited. Project management fees unpaid at 31 December 2000 amounted to £449,000 (1999: £32,000).

Michael and Peter Freeman, who are directors of the company, have an interest in Argent Projects Partnership. Further details are provided in note 10.

**20 Ultimate holding company**

The company is a subsidiary undertaking of the BT Pension Scheme.

The largest company in which the results of the company are consolidated is that headed by BriTel Property Acquisitions Limited incorporated in England. The smallest group in which they are consolidated is that headed by Argent Group PLC incorporated in England.

The consolidated financial statements of BriTel Property Acquisitions Limited may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 3UZ. The consolidated financial statements of Argent Group PLC may be obtained from 5 Albany Courtyard, Piccadilly, London, W1J 0HF.