

**LINCOURT MANAGEMENT SERVICES  
LIMITED**

**Report and Financial Statements**

**31 March 1999**



# **LINCOURT MANAGEMENT SERVICES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 1999**

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## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 1999.

### **PRINCIPAL ACTIVITY**

The company's principal activity continues to be the ownership of investments in property.

### **REVIEW OF DEVELOPMENTS**

The result on ordinary activities before taxation was £nil (1998 - £nil). The directors do not recommend the payment of a dividend (1998 - £nil).

### **FUTURE PROSPECTS**

The company has ceased to trade and it is not expected to trade in the foreseeable future.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served throughout the year and to the present time are as shown below:

B V Leader Cramer

M S Kaufman

No director has any interest in the share capital of the company or any other group company other than the ultimate parent company.

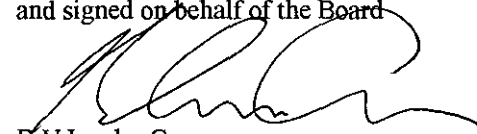
The directors' interests in the share capital of the ultimate parent company are shown in the directors' report of that company.

### **YEAR 2000**

It is recognised that there is a degree of risk and uncertainty associated with the year 2000.

The directors consider the principal risk relating to systems that are not year 2000 compliant relates to the company's own computer systems and equipment. The company's information and recording systems are simple and use well known and widely available software packages. It is unlikely that any year 2000 failure would cause a material loss or interruption to the company's operations.

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



B V Leader Cramer  
Director

1/7/1999

Registered Office:  
Brandts Court  
Elstree Way  
Borehamwood  
Herts WD6 1JH

**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 as at the end of the financial year and of the profit or loss of the company 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 a 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.

## **AUDITORS' REPORT TO THE MEMBERS OF LINCOURT MANAGEMENT SERVICES LIMITED**

We have audited the financial statements on pages 4 to 7 which have been prepared under the accounting policies set out on page 5.

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

As described on page 2 the company's directors are responsible for the preparation of 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.

### **Going concern**

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the accounts concerning the uncertainty as to the financial support afforded to the company by its holding company and the effect of the proposed change in ownership. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1999 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche  
Chartered Accountants and  
Registered Auditors  
Hill House  
1 Little New Street  
London EC4A 3TR

1/7/ 1999

# LINCOURT MANAGEMENT SERVICES LIMITED

## BALANCE SHEET 31 March 1999

	Note	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	4	28,826	28,826
		<u>28,826</u>	<u>28,826</u>
<b>CURRENT ASSETS</b>			
Debtors	5	23,518	23,518
<b>CREDITORS: amounts falling due within one year</b>	6	(272)	(272)
		<u>23,246</u>	<u>23,246</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>52,072</u>	<u>52,072</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	100	100
Revaluation reserve		26,220	26,220
Profit and loss account		25,752	25,752
		<u>52,072</u>	<u>52,072</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
		<u>52,072</u>	<u>52,072</u>

These financial statements were approved by the Board of Directors 1/7/1999.

Signed on behalf of the Board of Directors



B V Leader Cramer  
Director

# LINCOURT MANAGEMENT SERVICES LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 1999

### 1. ACCOUNTING POLICIES

#### Basis of preparation of the financial statements

The company is part of a group ultimately controlled by R.C. (Holdings) Limited and is part of its banking security arrangements as referred to in note 8. The company has historically been, and continues to be, reliant on the group for its day to day funding. The company's ultimate parent company is currently in negotiations with a view to selling the company's entire share capital. The directors have no reason to believe that, following the proposed sale, the company's new owners would not provide it with sufficient working capital to enable it to continue as a going concern. On this basis the directors of Lincourt Management Services Limited consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of support by the new owners.

#### Basis of accounting

The accounts are prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

#### Basis of consolidation

Consolidated accounts have not been prepared since the company is a wholly owned subsidiary of R.C. (Holdings) Limited, a company registered in England and Wales. Accordingly the financial statements present information about the company as an individual entity and not its Group.

#### Tangible fixed assets

*Depreciation is not provided on freehold land. On other assets it is provided on cost or revalued amounts in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:*

Freehold reversionary interest in estates under management	Nil
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No depreciation is charged on retirement estates as in the opinion of the directors their residual value is not significantly below carrying value.

#### Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing 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 financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

### 2. PROFIT AND LOSS ACCOUNT

The company has not traded in the current year or preceding year. Consequently no profit and loss account is presented. The company had no employees in the year (1997 – none). No directors' remuneration has been paid to the directors in respect of services to the company in the current or preceding year. Auditors' remuneration was borne by another group company in the current year and the preceding year.

### 3. TAXATION

There is no tax charge in the current year or preceding year because the company did not trade.

# LINCOURT MANAGEMENT SERVICES LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 1999

### 4. TANGIBLE ASSETS

	Freedhold Reversionary interest in estates £
<b>At valuation</b>	
At 1 April 1998 and 31 March 1999	28,826
<b>Net book value</b>	
At 1 April 1998 and 31 March 1999	28,826
<b>The freehold reversionary interests comprise :</b>	
Purchased interests: Cost	2,606
Valuation	18,820
	21,426
Options: Valuation	7,400
	28,826

The valuation of the reversionary interests in estates was last carried out by the directors in 1995. The directors do not consider that the current valuation is significantly different.

### 5. DEBTORS

	1999 £	1998 £
Amounts owed by subsidiary undertakings	23,518	23,518

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Amounts due to ultimate parent undertaking	272	-
Other creditors	-	272
	272	272

### 7. CALLED UP SHARE CAPITAL

	1999 £	1998 £
<b>Authorised:</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid:</b>		
100 ordinary shares of £1 each	100	100



**NOTES TO THE ACCOUNTS**

**Year ended 31 March 1999**

**8. SECURITY AND CONTINGENT LIABILITIES**

The group's bank loan and overdraft are secured by fixed and floating charges over the assets of the group.

The company, together with other companies within the group, has given guarantees to the group's bankers in respect of amounts advanced to the group under its banking facilities. No losses are expected to arise with respect to these guarantees.

**9. ULTIMATE PARENT COMPANY**

The company's ultimate parent company and controlling entity is R.C. (Holdings) Limited, a company incorporated in Great Britain and registered in England and Wales, whose principal place of business is Brandts Court, Elstree Way, Borehamwood, Herts WD6 1JH where copies of the consolidated group accounts may be obtained.

**10. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption granted by paragraph 3(c) of FRS 8, Related Party Disclosures, not to disclose transactions with R.C. (Holdings) Limited, group companies or interests of the group which are related parties.