

**Lincourt Management Services  
Limited**

**Report and Accounts**

7 month period to 31 December 2000



# **Lincourt Management Services Limited**

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Registered No. 2007287

## **DIRECTORS**

N G Bannister  
M L Dalby  
K C Rutherford  
SFM Directors Limited

## **SECRETARY**

M L Dalby

## **AUDITORS**

Ernst & Young  
Wessex House  
19 Threefield Lane  
Southampton  
SO14 3QB

## **BANKERS**

Barclays Bank PLC  
PO Box 378  
71 Grey Street  
Newcastle-Upon-Tyne  
Tyne & Wear  
NE99 1JP

## **SOLICITORS**

Nabarro Nathanson  
84 Theobald's Road  
London  
WC1X 8RW

## **REGISTERED OFFICE**

Queensway House  
11 Queensway  
New Milton  
Hampshire  
BH25 5NR

# Lincourt Management Services Limited

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## DIRECTORS' REPORT

The directors present their report and accounts for the seven-month period ended 31 December 2000.

### CHANGE OF ACCOUNTING REFERENCE DATE

The company changed its accounting reference date to 31 December, to coincide with the ultimate parent undertaking.

### RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £6,523 (Period ended 31 May 2000: £4,574). The directors recommend the payment of a final ordinary dividend of £6,523 (Period ended 31 May 2000: £28,993).

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be that of an investment company. The directors look forward to the year ahead with confidence.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the period were as follows:

N G Bannister  
M L Dalby  
K C Rutherford  
SFM Directors Limited

No director had an interest in the ordinary share capital of the company or the ultimate parent undertaking, Holiday Retirement Corporation. The interest of N G Bannister in the share capital of Holiday Retirement UK Limited is disclosed in that company's accounts.

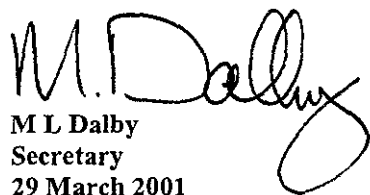
The directors are not liable to retire by rotation

### AUDITORS

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

Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership, incorporated under the Limited Liability Partnership Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the Directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

By order of the Board

  
M L Dalby  
Secretary  
29 March 2001

## Lincourt Management Services Limited

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### 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 year. 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;
- Prepare the accounts 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 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 Lincourt Management Services Limited**

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and 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 in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, and by our profession's ethical guidance.

**Basis of opinion**

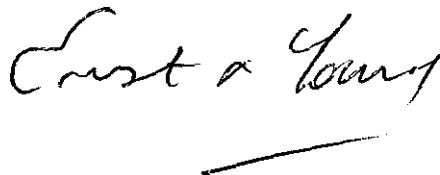
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by 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 December 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young  
Registered Auditor  
Southampton  
29 March 2001

A handwritten signature in cursive script, appearing to read 'Ernst & Young', is written over a horizontal line.

# Lincourt Management Services Limited

## PROFIT AND LOSS ACCOUNT for the period ended 31 December 2000

		<i>7 months ended 31 December 2000</i>	<i>14 months ended 31 May 2000</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
<b>TURNOVER</b>	2	9,428	6,734
<b>OPERATING PROFIT</b>	3	9,428	6,734
Interest payable and similar charges	4	(109)	(199)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		9,319	6,535
Tax on profit on ordinary activities	5	(2,796)	(1,961)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		6,523	4,574
Dividend	6	(6,523)	(28,993)
<b>RETAINED PROFIT / (LOSS) FOR THE PERIOD</b>	12	-	(24,419)

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the period ended 31 December 2000

	<i>7 Months ended 31 December 2000</i>	<i>14 months ended 31 May 2000</i>
	<i>£</i>	<i>£</i>
Profit for the financial period	6,523	4,574
Unrealised surplus on revaluation of properties	-	44,524
<b>Total recognised gains for the period</b>	<b>6,523</b>	<b>49,098</b>

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial periods stated above, and their historical cost equivalents.

# Lincourt Management Services Limited

## BALANCE SHEET at 31 December 2000

		31 December 2000 £	31 May 2000 £
	<i>Notes</i>		
<b>FIXED ASSETS</b>			
Investments	7	73,350	73,350
<b>CURRENT ASSETS</b>			
Debtors	8	9,436	5,591
		9,436	5,591
<b>CREDITORS: amounts falling due within one year</b>	9	(8,103)	(4,258)
<b>NET CURRENT ASSETS</b>		1,333	1,333
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		74,683	74,683
<b>CREDITORS: amounts falling due after more than one year</b>			
Loans	10	(2,506)	(2,506)
<b>NET ASSETS</b>		72,177	72,177
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	100	100
Revaluation reserve	12	70,744	70,744
Profit and loss account	12	1,333	1,333
<b>SHAREHOLDERS' FUNDS - equity interests</b>		72,177	72,177

These accounts were approved by the board of directors on 29 March 2001 and were signed on its behalf by:



**N G Bannister**  
Chief Executive

# Lincourt Management Services Limited

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## NOTES TO THE ACCOUNTS

at 31 December 2000

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention as modified to include the revaluation of freehold and leasehold reversions and in accordance with applicable accounting standards and with the requirements of the Companies Act 1985, except as explained below.

#### *Cash flow statement*

Under Financial Reporting Standard 1 (revised 1996) which the company has adopted in these accounts, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated accounts.

#### *Related parties*

Advantage has been taken of the exemption available under Financial Reporting Standard 8 not to disclose details of transactions with Holiday Retirement UK Limited or other group undertakings as the consolidated accounts of the Holiday Retirement UK Limited Group in which the company is included are publicly available.

#### *Freehold and leasehold investment properties*

In accordance with Statement of Standard Accounting Practice No.19 (as amended):

- Investment properties are revalued annually. Surpluses and deficits arising are taken to the revaluation reserve. Any permanent diminution is taken to the profit and loss account for the year; and
- No depreciation or amortisation is provided in respect of leasehold investment properties with over 20 years to run.

This treatment, as regards the company's investment properties, may be 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 accounting policy adopted is, therefore, necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount that might otherwise have been shown cannot be separately identified or quantified.

#### *Taxation*

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

### 2. TURNOVER

Turnover represents the amounts derived from ground rents and transfer fees from freehold reversionary interests, stated net of value added tax, all of which is attributable to continuing operations generated in the UK.



# Lincourt Management Services Limited

## NOTES TO THE ACCOUNTS

at 31 December 2000

### 3. OPERATING PROFIT

The auditors were remunerated by a fellow subsidiary undertaking, Peverel Limited.

The directors were remunerated by fellow a subsidiary undertakings, Peverel Limited, of which they are also directors, except for SFM Directors Limited that was paid fees by Peverel Properties Limited.

There were no staff employed during the period (Period ended 31 May 2000: nil).

### 4. INTEREST PAYABLE AND SIMILAR CHARGES

	<i>7 months ended 31 December 2000 £</i>	<i>14 months ended 31 May 2000 £</i>
On loans from fellow subsidiary undertakings:		
Repaid during the year	-	168
Repayable after more than one year	109	31
	<u>109</u>	<u>199</u>

### 5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	<i>7 months ended 31 December 2000 £</i>	<i>14 months ended 31 May 2000 £</i>
Based on the profit for the period:		
UK Corporation Tax	2,796	1,961
	<u>2,796</u>	<u>1,961</u>

Payment is made for group relief at the standard rate of corporation tax.

### 6. DIVIDENDS

	<i>7 months ended 31 December 2000 £</i>	<i>14 months ended 31 May 2000 £</i>
Ordinary – interim (paid)	-	28,000
Ordinary – final (proposed)	6,523	993
	<u>6,523</u>	<u>28,993</u>

# Lincourt Management Services Limited

## NOTES TO THE ACCOUNTS

at 31 December 2000

### 7. FIXED ASSET INVESTMENTS

	<i>Freehold and Leasehold Options £</i>	<i>Freehold and Leasehold Reversions £</i>
At 1 June 2000 and 31 December 2000	310	73,040

The company's freehold and leasehold developments have been revalued by the directors at open market value (based upon a multiple of relevant income streams) in accordance with external professional advice.

The historical cost of investment properties included at valuation is as follows:

	<i>£</i>
At 31 May 2000 and 31 December 2000	2,606

The company's fixed asset investments have been secured in favour of a fellow subsidiary undertaking as disclosed in note 13.

### 8. DEBTORS

	<i>31 December 2000 £</i>	<i>31 May 2000 £</i>
Trade debtors	158	1,429
Amounts due from fellow subsidiary undertakings	9,278	4,162
	<u>9,436</u>	<u>5,591</u>

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

	<i>31 December 2000 £</i>	<i>31 May 2000 £</i>
Corporation tax	-	1,961
Deferred income	1,580	1,304
Proposed dividend	6,523	993
	<u>8,103</u>	<u>4,258</u>

### 10. CREDITORS: amounts falling due after more than one year

	<i>31 December 2000 £</i>	<i>31 May 2000 £</i>
Amounts due to fellow subsidiary undertakings	2,506	2,506

Interest is payable at the rate of 7.5% p.a. and the loan is repayable on demand at least one year from the balance sheet date.

# Lincourt Management Services Limited

## NOTES TO THE ACCOUNTS at 31 December 2000

### 11. SHARE CAPITAL

	31 December 2000 No.	Authorised 31 May 2000 No.	Allotted, called up and fully paid 31 December 2000 £	31 May 2000 £
Ordinary shares of £1 each	100,000	100,000	100	100

### 12. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Revaluation reserve £	Profit and loss account £	Total share- holders' funds £
At 1 April 1999	100	26,220	25,752	52,072
Profit for the period	-	-	4,574	4,574
Surplus on revaluation	-	44,524	-	44,524
Dividend	-	-	(28,993)	(28,993)
At 1 June 2000	100	70,744	1,333	72,177
Profit for the period	-	-	6,523	6,523
Dividend	-	-	(6,523)	(6,523)
At 31 December 2000	100	70,744	1,333	72,177

### 13. CONTINGENT LIABILITIES

Under a Deed of Charge, along with a number of other fellow subsidiary undertakings of Holiday Retirement UK Limited, the company has unconditionally and irrevocably guaranteed the due and punctual payment of all sums due by Peverel Funding Limited, a fellow subsidiary undertaking, associated with the £103,000,000 Secured Notes issued by that company.

Furthermore, this guarantee is supported by a fixed charge in favour of the Note Trustee, granted over all the company's Fixed Asset Investment (see Note 7), both present and future.

### 14. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking and controlling party is Holiday Retirement Corporation, a company registered in Oregon USA. Holiday Retirement UK Limited is the smallest and largest group for which group accounts are prepared and are available to the public and may be obtained from Companies House, Cardiff.