

2032816

PLANSQUARE PROPERTY MANAGEMENT LIMITED

DIRECTORS REPORT AND ACCOUNTS

YEAR ENDED 31ST AUGUST 1988



## PLANSQUARE PROPERTY MANAGEMENT LIMITED

### DIRECTORS' REPORT

The Directors present their Report and Accounts for the year ended 31st August 1988.

### BUSINESS REVIEW

The principal activity of the Company consists of the management and the administration of freehold and leasehold properties for the SAC International plc group of companies.

During the financial year a number of freehold and leasehold properties were transferred to the Company from fellow subsidiaries of SAC International plc.

### RESULTS AND DIVIDENDS

The results for the year are shown on page 5 of the financial statements. An interim dividend of £6,000 was paid during the year. The Directors do not propose payment of a final dividend, and the surplus of £37,000 for the year will be transferred to reserves.

### FIXED ASSETS

The movement in tangible fixed assets is given in Note 6 to the accounts. It is the policy of the Company to revalue its assets progressively every three years.

### TAX STATUS

In the opinion of the Directors, the close company provisions of the Income and Corporations Taxes Act 1970 do not apply to the Company.

### DIRECTORS

The Directors who served during the year were:-

R W Smedley - Chairman and Managing Director  
W T Neen  
J A Heaman

The Directors had no direct or family interest in the shares of the Company nor rights to acquire its shares.

Mr Smedley's and Mr Neen's interests in the share capital of the ultimate holding company are as disclosed in the accounts of that company. The other Director's interest consists of options to purchase 22,500 shares in the ultimate holding company at prices between 72p and 230p.

### ISSUE OF SHARES

During the year the Company increased its share capital by the issue of 99,000 ordinary shares at £1.00 each.

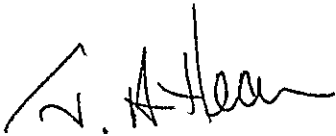
EMPLOYEES

The average number of employees of the company was 4 (1987 - nil). At 31st August 1988 the company had 9 employees (1987 - nil).

AUDITORS

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



J A HEAMAN  
Secretary

5th December 1988

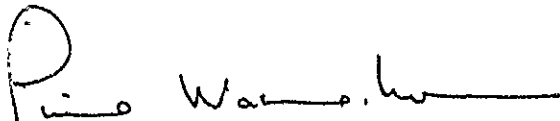
REPORT OF THE AUDITORS

TO THE MEMBERS OF

PLANSQUARE PROPERTY MANAGEMENT LIMITED

We have audited the financial statements on pages 5 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st August 1988 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in dark ink, appearing to read "Price Waterhouse", with a long horizontal flourish extending to the right.

PRICE WATERHOUSE  
Chartered Accountants  
Bristol

5th December 1988

PLANSQUARE PROPERTY MANAGEMENT LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO 31ST AUGUST 1988

			<u>THIRTEEN</u>
			<u>MONTHS</u>
	<u>NOTE</u>	<u>1988</u>	<u>1987</u>
		<u>£'000</u>	<u>£'000</u>
<u>TURNOVER</u>	2	982	481
External charges		(567)	(302)
Other operating charges		(348)	(189)
Other operating income		16	4
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u>			
<u>BEFORE INTEREST</u>		83	(6)
INTEREST		(2)	-
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u>			
<u>BEFORE TAXATION</u>	4	81	( 6)
Taxation on profit/(loss) on ordinary activities	5	( 38)	( 4)
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u>			
<u>AFTER TAXATION</u>		43	( 10)
Dividend paid		( 6)	-
		-----	-----
<u>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</u>	11	37	( 10)
		=====	=====

Note 11 to the accounts details the movements on reserves for the financial period.

The notes on pages 8 to 13 form part of these accounts.

PLANSQUARE PROPERTY MANAGEMENT LIMITED

BALANCE SHEET AS AT 31ST AUGUST 1988

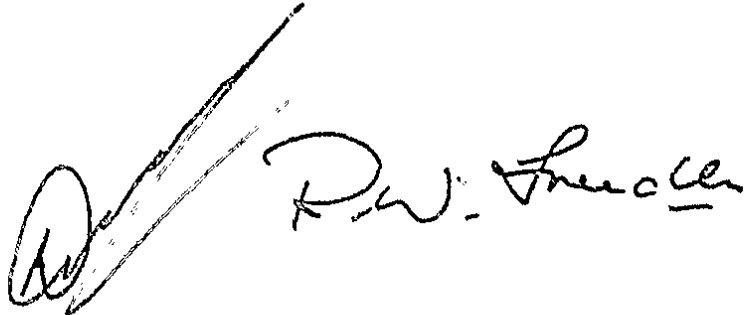
	NOTE		31 AUGUST 1988		31 AUGUST 1987
		£'000	£'000	£'000	£'000
<u>FIXED ASSETS</u>					
Tangible assets	6		4,157		1,868
<u>CURRENT ASSETS</u>					
Debtors	7	194		82	
Cash and Bank Balances		-		6	
		-----		-----	
		194		88	
<u>CREDITORS</u>					
Amounts falling due within one year	8	3,763		1,963	
		-----		-----	
<u>NET CURRENT LIABILITIES</u>			(3,569)		(1,875)
			-----		-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			588		( 7)
Provision for liabilities and charges	9		-		( 2)
			-----		-----
			588		( 9)
			=====		=====
<u>CAPITAL AND RESERVES</u>					
Called up Share Capital	10		100		1
Revenue Reserves	11		27		( 10)
Revaluation Reserves	11		461		-
			-----		-----
			588		( 9)
			=====		=====

The notes on pages 8 to 13 form part of these accounts.

These accounts were approved by the Board of Directors on 5th December 1988

R W Smedley - Director

W T Neen - Director



PLANSQUARE PROPERTY MANAGEMENT LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR TO 31 AUGUST 1988

	<u>1988</u>		<u>THIRTEEN MONTHS</u> <u>1987</u>	
	£000	£000	£000	£000
<u>SOURCE OF FUNDS</u>				
Profit/(loss) on ordinary activities before taxation		81		(6)
Adjustments for items not involving the movement of funds				
Depreciation		32		14
(Profit)/loss on disposal of fixed assets		(28)		-
		--		--
<u>TOTAL GENERATED FROM OPERATIONS</u>		85		8
<u>OTHER SOURCES</u>				
Proceeds from sale of fixed assets		80		-
Proceeds from issue of shares		99		1
		---		---
<u>TOTAL FROM ALL SOURCES</u>		264		9
<u>APPLICATION OF FUNDS</u>				
Purchase of fixed assets		(125)		(336)
Transfer of fixed assets from Group companies		(1,787)		(1,546)
Dividends paid		(6)		-
		-----		-----
		(1,654)		(1,873)
<u>DECREASE/(INCREASE) IN WORKING CAPITAL</u>				
Debtors	( 99)		(4)	
Creditors	151		90	
Group Indebtedness	1,516		1,793	
	-----	1,568	-----	1,879
		(86)		6
		----		----
<u>MOVEMENT IN NET LIQUID FUNDS</u>				
Cash		(6)		6
Bank loans and overdraft		(80)		-
		-----		-----
		(86)		6
		----		----

PLANSQUARE PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 AUGUST 1988

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items considered material in relation to the Company's accounts.

(a) Basis of Accounting

Long leasehold and freehold land and buildings are stated at cost or latest professional valuation. All other items are stated in the accounts under the historical cost accounting convention.

(b) Depreciation

Depreciation is provided to write off the value of long leasehold property and freehold buildings over their estimated useful lives as follows:-

Freehold buildings	-	over 50 years
Long leasehold property	-	over the term of lease

(c) Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

(d) Leases

Operating lease costs are dealt with by way of a charge to the profit and loss account as incurred.

2 TURNOVER

Turnover represents the amount of rents and service charges receivable net of Value Added Tax.

All turnover is derived in the United Kingdom.

3 STAFF COSTS

Average number of persons employed during the year was four, (1987 Nil)

All employee costs were charged to group companies in the year (1987 fnil)



PLANSQUARE PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 AUGUST 1988  
(CONTINUED)

4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1988	THIRTEEN MONTHS 1987
	£'000	£'000
(i) This is shown after charging:-		
Directors emoluments	26	-
Auditors remuneration	2	2
Depreciation	32	14
Operating leases	295	-

(ii) Emoluments of directors and senior employees:-

The Chairman received no emoluments and the highest paid Director's emoluments, excluding pension contributions, were £22,283 (1987 £nil). No other payments were made to Directors. There were no senior employees whose emoluments, excluding pension contributions, exceeded £30,000.

(iii) Operating Leases

Commitments exist for operating lease rentals payable during 1988/89 for leases which expire in future years as follows:-

	Land and Buildings	
	1988	THIRTEEN MONTHS 1987
	£'000	£'000
Expiry within:		
One year	42	-
Two to five years	38	-
More than five years	157	-

5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1988	THIRTEEN MONTHS 1987
	£'000	£'000
United Kingdom corporation tax at 35%	40	2
Deferred taxation	(2)	2
	38	4
	=====	=====

PLANSQUARE PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 AUGUST 1988  
(CONTINUED)

6 TANGIBLE FIXED ASSETS

	Freehold	Land and Buildings Long Leasehold	Short Leasehold	Total
	£'000	£'000	£'000	£'000
<u>COST OR VALUATION</u>				
At 31 August 1987	995	900	-	1,895
Revaluation	345	94	-	439
Additions at Cost	86	37	2	125
Disposals	-	(56)	-	(56)
Inter Group Transfer	1,769	62	-	1,831
	-----	----	-----	-----
At 31 August 1988	3,195	1,037	2	4,234
	=====	====	=====	=====
<u>DEPRECIATION</u>				
At 31 August 1987	12	15	-	27
Revaluation	(7)	(15)	-	(22)
Depreciation during the year	32	-	-	32
Inter Group Transfers	10	4	-	44
Disposals	-	(4)	-	(4)
	-----	----	-----	-----
At 31 August 1988	77	-	-	77
	=====	====	=====	=====
Net Book Value at 31 August 1988	3,118	1,037	2	4,157
	=====	=====	=====	=====
Net Book Value at 31 August 1987	983	885	-	1,868
	=====	=====	=====	=====

Freehold and long leasehold land and buildings include properties that were revalued by Hartnell Taylor Cook on the basis of current open market value on the 16th September 1988 at a value of £1,823,000. These properties would have been stated at cost of £1,362,000 and a net book value of £1,296,000.

PLANNOCARE PROPERTY MANAGEMENT LIMITED

NOTE 7 TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 AUGUST 1988  
(CONTINUED)

7 DEBTORS

	1988	1987
	----	----
	£'000	£'000
Trade debtors	6	4
Amounts owed by group companies	13	-
Prepayments and other debtors	175	78
	-----	-----
	194	82
	=====	=====

All of these amounts are due within one year of the balance sheet date.

8 CREDITORS - Amounts falling due within one year

	1988	1987
	----	----
	£'000	£'000
Bank Overdraft	80	-
Trade Creditors	150	56
Accruals & Other Creditors	91	34
Corporation tax	42	2
Amounts owed to group companies	3,400	1,871
	-----	-----
	3,763	1,963
	=====	=====

9 PROVISION FOR LIABILITIES AND CHARGES

	1988	1987
	----	----
	£'000	£'000
Deferred Taxation		
Capital allowances in advance of depreciation	-	2
	===	===

No provision has been made for deferred taxation in relation to capital allowances in advance of depreciation as no liability is expected to crystallise in the foreseeable future. The maximum potential liability for capital allowances in advance of depreciation at the 31st August 1988 amounted to £137,000 (1987 £2,000).

PLANSQUARE PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 AUGUST 1988  
(CONTINUED)

9 PROVISION FOR LIABILITIES AND CHARGES (cont'd)

No provision for deferred taxation has been made in relation to the surplus on the revaluation of freehold and long leasehold land and buildings included in the revaluation reserve. If the land and buildings had been disposed of at the balance sheet date it is estimated that the tax liability would amount to approximately £161,000 (1987 Nil).

10 SHARE CAPITAL

	Authorised	
	1988	1987
	£'000	£'000
Ordinary shares of £1 each	100	1
	=====	===
	Allotted and Fully Paid	
	-----	
Ordinary shares of £1 each	100	1
	=====	===

On the 21st January 1988 the Company increased its share capital by the issue of a further 99,000 ordinary shares of £1.00 each for cash.

11 RESERVES

	Revenue	Revaluation	Total
	-----	-----	-----
	£'000	£'000	£'000
Balance at 31 August 1987	(10)	-	(10)
Profit for the year	37	-	37
Revaluation of Properties	-	461	461
	-----	-----	-----
Balance at 31 August 1988	27	461	488
	=====	=====	=====

12 CAPITAL COMMITMENTS

At 31 August 1988 there were capital commitments contracted but not provided for in the accounts of £161,000 (1987 £36,000).

Capital expenditure authorised but not committed amounted to £nil (1987 £nil)

PLANSQUARE PROPERTY MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 AUGUST 1988  
(CONTINUED)

13 PENSIONS

The Company operates contributory and non-contributory pension schemes for Directors and employees. These schemes are fully funded according to the most recent actuarial valuations.

14 CONTINGENT LIABILITIES

The Company has given an unlimited guarantee in respect of the bank overdrafts of other group companies which amounted to £2,536,932 at 31st August 1988 (1987: £1,253,787)

15 HOLDING COMPANY

The ultimate holding company is SAC International plc, a company incorporated in England.