

RICARDO PROPERTIES LIMITED

DIRECTORS REPORT AND ACCOUNTS

YEAR ENDED 30TH JUNE J



## RICARDO PROPERTIES LIMITED

### DIRECTORS' REPORT

The Directors present their Report and Accounts for the Year ended 30th June 1991.

### REGISTERED NUMBER

The company's registered number is 2032816.

### CHANGE OF NAME

On 5th November 1990 SAC Estates Limited changed its name to Ricardo Properties Limited.

### BUSINESS REVIEW

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

### RESULTS AND DIVIDENDS

The results for the year are shown on page 5 of the financial statements. An interim dividend of £588,000 was paid during the year. The directors do not propose to pay a final dividend and the retained profit for the year has been transferred to reserves.

### FIXED ASSETS

The movement in tangible fixed assets is given in Note 6 to the accounts.

### TAX STATUS

In the opinion of the Directors, the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the Company.

### DIRECTORS

The Directors who served during the year were:-

R W Smedley - Chairman and Managing Director  
J A Heaman  
W T Neen - Resigned 9th August 1990

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

Mr Smedley's interests in the share capital of the ultimate holding company, Ricardo International plc, are as disclosed in the accounts of that company. Mrs J A Heaman's interests in the Share Capital of Ricardo International plc were as follows:

	30 June 1991	30 June 1990
Ordinary Shares of 25p each	1,441	1,441
Options over Ordinary Shares of 25p each	30,750	30,750

The outstanding options granted to Mrs Heaman are exercisable at 87.5p, 280p, 169.5p and 126.5p between now and 1999.

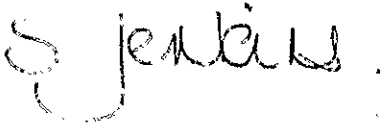
AUDITORS

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

OTHER INFORMATION

The company purchased directors and officers liability insurance for the year ended 30 June 1991 and the ensuing year.

BY ORDER OF THE BOARD



S E JENKINS  
Secretary

25th September 1991

REPORT OF THE AUDITORS

TO THE MEMBERS OF

RIGARDO PROPERTIES LIMITED

We have audited the financial statements on pages 5 to 12 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 30th June 1991 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.

*Price Waterhouse*

PRICE WATERHOUSE  
Chartered Accountants  
Bristol

25th September 1991

RICARDO PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1991

		<u>Year ended</u> <u>30 June</u>	<u>10 months</u> <u>ended 30 June</u>
	NOTE	<u>1991</u> £'000	<u>1990</u> £'000
<u>TURNOVER</u>	2	2,183	1,003
External charges		(214)	(349)
Other operating charges		(924)	(740)
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>	4	1,045	(86)
Taxation on profit/(loss) on ordinary activities	5	37	20
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		1,082	(66)
Dividends - paid		(588)	(37)
		-----	-----
<u>PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</u>	11	494	(103)
		=====	=====

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

The notes on pages 8 to 12 form part of these accounts.

RICARDO PROPERTIES LIMITED

BALANCE SHEET AS AT 30TH JUNE 1991

	Note	At 30th June 1991		At 30th June 1990	
	----	£'000	£'000	£'000	£'000
<u>FIXED ASSETS</u>					
Tangible assets	6		11,531		9,977
<u>CURRENT ASSETS</u>					
Debtors	7	2,549		299	
<u>CREDITORS</u>					
Amounts falling due within one year	8	(12,237)		(8,493)	
<u>NET CURRENT LIABILITIES</u>			(9,688)		(8,194)
			1,843		1,783
<u>CAPITAL AND RESERVES</u>					
Called up share capital	10		500		500
Profit & Loss Account	11		430		(64)
Revaluation Reserves	11		913		1,347
			1,843		1,783

The notes on pages 8 to 12 form part of these accounts.

These accounts were approved by the Board of Directors on 25th September 1991.

R W Smedley - Director

*R. W. Smedley*

DECADE PROPERTIES LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 30TH JUNE 1991

	<u>Year ended</u> <u>30 June 1991</u>		<u>10 months ended</u> <u>30 June 1990</u>	
	£'000	£'000	£'000	£'000
<u>SOURCE OF FUNDS</u>				
Profit/(Loss) on ordinary activities before taxation		1,045		(86)
Adjustments for items not involving the movement of funds				
Depreciation		39		-
Release of revaluation reserve		(212)		-
Profit on disposal fixed assets		-		(64)
		-----		-----
<u>TOTAL GENERATED FROM OPERATIONS</u>		872		(150)
<u>OTHER SOURCES</u>				
Transfer of taxation balance		29		-
Proceeds from sale of fixed assets		-		198
		-----		-----
<u>TOTAL FROM ALL SOURCES</u>		901		48
<u>APPLICATION OF FUNDS</u>				
Purchase of fixed assets		(1,717)		(973)
Transfer of fixed assets from group undertakings		(98)		(3,837)
Dividends paid		(588)		(53)
		-----		-----
		(1,502)		(4,815)
<u>DECREASE/(INCREASE) IN WORKING CAPITAL</u>				
Debtors		(921)		(31)
Creditors		(101)		557
Group Indebtedness		1,258		3,957
		-----		-----
		236		4,483
		-----		-----
		(1,266)		(332)
		-----		-----
<u>MOVEMENT IN NET LIQUID FUNDS</u>				
Bank overdraft		(1,266)		(332)
		-----		-----

# BEAUMONT PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1991

### 1 ACCOUNTING POLICIES

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

#### (a) Accounting Convention

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) Fixed Assets

Depreciation is provided to write off the cost or valuation less estimated residual value of long leasehold property and freehold buildings and the cost less estimated residual value of other tangible fixed assets over their estimated useful lives as follows

Freehold buildings	- over 50 years
Long leasehold property	- over the term of the lease
Short leasehold property	- over the term of the lease
Fixtures, fittings and equipment	- between 3 and 10 years

#### (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

The cost of operating leases are dealt with by way of a charge to the profit and loss account as incurred.

#### (e) Pensions

The company participates in the Group's defined contribution pension scheme and contributions are charged against profit in the year they are 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 two, (1990 two)

	1991 £'000	1990 £'000
Staff costs charged to the profit and loss account are as follows:		
Wages & Salaries	44	32
Social Security Costs	4	3
Other Pension Costs	5	4



# RICARDO PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1991 (CONTINUED)

### 4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>Year</u> <u>ended</u> <u>30 June</u> <u>1991</u> <u>£'000</u>	<u>10 months</u> <u>ended</u> <u>30 June</u> <u>1990</u> <u>£'000</u>
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(1) This is shown after charging:-

Auditors remuneration	5	2
Depreciation	39	-
Operating leases	313	220

(ii) Emoluments of directors:

Directors emoluments (including pension contributions)	40	32
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The Chairman did not receive any emoluments (1990 fnil) and the highest paid Director's emoluments, excluding pension contributions, were £35,855 (1990 £27,823). The third director did not receive any emoluments (1990: fnil)

(iii) Operating Leases

Commitments exist for operating lease rentals payable during 1991/92 for leases of land and buildings which expire in future years as follows:-

	<u>Year</u> <u>ended</u> <u>30 June</u> <u>1991</u> <u>£'000</u>	<u>10 months</u> <u>ended</u> <u>30 June</u> <u>1990</u> <u>£'000</u>
Expiry within:		
One year	5	60
Two to five years	61	34
More than five years	238	182
	---	---
	304	276

### 5 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	<u>Year</u> <u>ended</u> <u>30 June</u> <u>1991</u> <u>£'000</u>	<u>10 months</u> <u>ended</u> <u>30 June</u> <u>1990</u> <u>£'000</u>
United Kingdom corporation tax credit at 33.75% (1990 35%)	37	11
Prior year adjustment	-	9
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	37	20

# RICARDO PROPERTIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1991 (CONTINUED)

### 6. TANGIBLE FIXED ASSETS

	Land and Buildings			Fixtures Fittings & Equipment	Total
	Freehold	Long Leasehold	Short Leasehold		
	£'000	£'000	£'000	£'000	£'000
<u>COST OR VALUATION</u>					
At 30th June 1990	9,161	1,676	6	35	10,878
Revaluation	(222)	-	-	-	(222)
Additions at cost	1,697	-	-	20	1,717
Inter-company transfers in	92	-	-	7	99
Reclassification	7	80	-	(4)	83
At 30 June 1991	10,735	1,756	6	58	12,555
<u>DEPRECIATION</u>					
At 30th June 1990	883	12	6	-	901
Deprecation on company transfers	-	-	-	1	1
Reclassification	80	1	-	2	83
Charge for year	1	22	-	16	39
At 30th June 1991	964	35	6	19	1,024
Net Book Amount at 30th June 1991	9,771	1,721	-	39	11,531
Net Book Amount at 30th June 1990	8,278	1,664	-	35	9,977

The amount of the cost and revaluation of the freehold and long leasehold properties at 30 June 1991 are as follows:

	Freehold £'000	Long Leasehold £'000
Cost	7,599	140
Revaluation - 1990	1,875	-
- 1989	476	407
- 1988	785	1,209
	10,735	1,756

The historical cost of the revalued properties and their net book amount at 30 June 1991 are as follows:

	Freehold £'000	Long Leasehold £'000
Cost	7,599	140
Accumulated depreciation	(872)	(5)
	6,727	135

RICARDO PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1991 (CONTINUED)

<u>7 DEBTORS</u>	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Amounts owed by fellow subsidiary undertakings	1,424	95
Prepayments and accrued income	1,125	204
	-----	-----
	2,549	299

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

8 CREDITORS - Amounts falling due within one year

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Bank overdraft	3,523	2,257
Trade creditors	553	334
Accruals & other creditors	80	400
Corporation tax	-	8
Amounts owed to parent undertaking	8,081	5,494
	-----	-----
	12,237	8,493

The bank overdraft is repayable on demand and is secured by unlimited guarantees provided by other group undertakings.

9 PROVISION FOR LIABILITIES AND CHARGES

No provision has been made for deferred taxation in respect of 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 30 June 1991 amounted to £1,651,000 (1990: £1,299,000)

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.

10 SHARE CAPITAL

	<u>1991</u> <u>£'000</u>	<u>1990</u> <u>£'000</u>
Ordinary shares of £1 each		
Authorised, allotted and fully paid	500	500

RICARDO PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 1991 (CONTINUED)

11 RESERVES

	Profit and Loss Account ----- £'000	Revaluation Reserve ----- £'000
Balance at 30th June 1990	(64)	1,347
Profit for the year	494	-
Revaluation of Properties	-	(222)
Sale of Property	-	(212)
	-----	-----
Balance at 30th June 1991	430	913

12 CAPITAL COMMITMENTS

At 30th June 1991 there were capital commitments contracted but not provided for in the accounts of £104,281 (1990 £1,442,000).

Capital expenditure authorised but not committed amounted to £nil (1990 £nil)

13 CONTINGENT LIABILITIES

The Company has given an unlimited guarantee in respect of the bank overdrafts of other group companies which amounted to £1,199,994 at 30th June 1991 (1990 £2,042,695).

Under a group arrangement the company is jointly and severally liable for the value added tax payable by other group registered companies. At 30th June 1991 this contingent liability amounted to £1,051,600 (1990 £913,023).

14 ULTIMATE HOLDING COMPANY

Ricardo International plc, which is registered in the United Kingdom, is the ultimate holding company as at 30 June 1991.

Copies of the consolidated accounts of Ricardo International plc which is the largest and smallest group for which group accounts are prepared and of which Ricardo Properties Limited is a member are available from; The Company Secretary, Ricardo International plc, Brunswick House, Upper York Street, Bristol, BS2 8QB.