

**CREDIT LYONNAIS PROPERTIES**  
**(REGISTRATION NO. 2407942)**

**Directors' Report and Financial Statements**  
**Year Ended 31 December 1998**



## **CREDIT LYONNAIS PROPERTIES**

### **Directors' Report Year Ended 31 December 1998**

The directors have pleasure in submitting their report and the financial statements for the year ended 31 December 1998.

#### **Principal Activities**

The company did not trade during the year.

#### **Results and Dividends**

The profit for the year ended 31 December 1998 amounted to £nil (1997: £46,417,143). The directors do not propose the payment of a dividend (1997: £45,416,000).

#### **Directors**

The directors during the period ended 31 December 1998 were as follows:

BF Armstrong  
FC Mélul  
G Bonnet (resigned 5 March 1999)  
G-M A le G de Kerangal (resigned 5 March 1999)  
FMC Lecherbourg (resigned 5 March 1999)  
BLG Darmayan (resigned 31 March 1998)

#### **Directors Interests**

BF Armstrong holds one ordinary share of the company as a trustee. None of the other directors had an interest in the shares of the company at 31 December 1998.

## **CREDIT LYONNAIS PROPERTIES**

### **Directors' Report Year Ended 31 December 1998**

#### **Statement of Directors Responsibilities**

The directors are required by the Companies Act 1985 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 for the financial year.

The directors consider that in preparing the financial statements on pages 4 to 8 the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

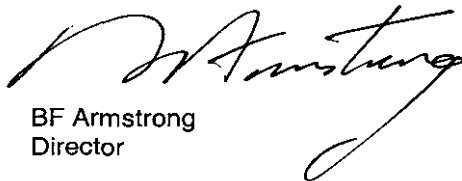
The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

#### **Auditors**

During the year the auditors, Price Waterhouse, merged with Coopers and Lybrand forming a new firm, PricewaterhouseCoopers. As a consequence of this merger Price Waterhouse resigned as auditors on 11 September 1998 and PricewaterhouseCoopers were appointed in their place. PricewaterhouseCoopers have expressed their willingness to continue in office and a resolution will be proposed for their reappointment at the Annual General Meeting.

By Order of the Board



BF Armstrong  
Director

5 March 1999

Registered office  
Broadwalk House  
5 Appold Street  
London EC2A 2DA

**AUDITORS' REPORT TO THE MEMBERS OF CREDIT LYONNAIS PROPERTIES  
FOR THE YEAR ENDED 31 DECEMBER 1998**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the financial statements as described on page 2. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and 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 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 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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
32 London Bridge Street  
London SE1 9SY

5 March 1999

## CREDIT LYONNAIS PROPERTIES

### Profit and Loss Account For the Year Ended 31 December 1998

	<i>Note</i>	<b>Discontinued Operations</b>	
		<b>1998</b>	<b>1997</b>
		<b>£</b>	<b>£</b>
Profit on sale of subsidiary undertaking		-	46,324,809
Interest receivable from group companies		-	134,974
<b>Profit on Ordinary Activities Before Taxation</b>		-	46,459,603
Taxation on ordinary activities	4	-	(42,460)
<b>Profit on Ordinary Activities After Taxation</b>		-	46,417,143
Dividends proposed		-	(45,416,000)
<b>Transfer to Reserves</b>		-	1,001,143

The company has no continuing operations.

All recognised gains and losses arising during the year are reflected in the profit and loss account for both this and the prior year.

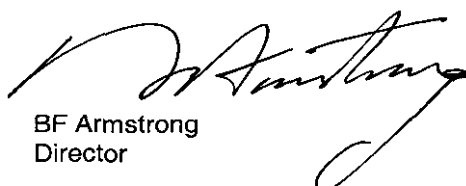
The notes on pages 6 to 8 form an integral part of these financial statements.


# CREDIT LYONNAIS PROPERTIES

## Balance Sheet As at 31 December 1998

	<i>Note</i>	<b>1998</b>	<b>1997</b>
		£	£
<b>Current Assets</b>			
Debtors	5	1,201,143	47,133,584
<b>Creditors: Due within one year</b>	6	-	(45,932,441)
<b>Net Current Assets</b>		<b>1,201,143</b>	<b>1,201,143</b>
<b>Total Assets Less Current Liabilities</b>		<b>1,201,143</b>	<b>1,201,143</b>
<b>Total Net Assets</b>		<b>1,201,143</b>	<b>1,201,143</b>
<b>Capital and Reserves</b>			
Called up share capital	7	200,000	200,000
Reserves		1,001,143	1,001,143
<b>Shareholders' Funds</b>	8	<b>1,201,143</b>	<b>1,201,143</b>

The financial statements on pages 4 to 8 were approved by the Board of Directors on 5 March 1999 and were signed on its behalf by:

  
BF Armstrong  
Director

  
FC Méul  
Director

The notes on pages 6 to 8 form an integral part of these financial statements.

# CREDIT LYONNAIS PROPERTIES

## Notes to the Financial Statements For the Year Ended 31 December 1998

### 1. Accounting Policies

The following are the principal accounting policies adopted by the company:

#### Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Cash Flow Statement

Under the provisions of Financial Reporting Standard 1 (revised), the company is not required to present a cash flow statement as it is a wholly owned subsidiary undertaking of Credit Lyonnais, into whose accounts the results of the Company are consolidated.

#### Related Parties

The company has taken advantage of the exemption granted by Financial Reporting Standard 8 to subsidiary undertakings which are more than ninety percent owned not to disclose transactions with other group entities.

### 2. Directors and Employees

During the year to 31 December 1998 the company had no employees (1997: nil employees) and none of the directors received any emoluments in respect of their services to the company (1997: £nil).

### 3. Auditors' Remuneration

For the years ended 31 December 1998 and 1997 auditors' remuneration has been borne by a fellow group undertaking.

### 4. Taxation Charge

	1998	1997
	£	£
UK corporation tax has been calculated at 31% (1997: 31.5%)		
Amounts charged on the results of the period:		
- UK corporation tax	-	(42,460)

### 5. Debtors

	1998	1997
	£	£
Amounts owed by parent undertakings	1,201,143	47,133,584

## CREDIT LYONNAIS PROPERTIES

### Notes to the Financial Statements For the Year Ended 31 December 1998

#### 6. Creditors (amounts due within one year)

	1998	1997
	£	£
Accruals and deferred income	-	473,981
Proposed dividend	-	45,416,000
Taxation	-	42,460
	-	45,932,441

#### 7. Share Capital

	1998	1997
	£	£
<b>Authorised, issued and fully paid:</b>		
100,000 ordinary shares of £1 each	100,000	100,000
100,000 'A' ordinary shares of £1	100,000	100,000
	200,000	200,000

Summary of the rights and restrictions attaching to each class of share:

##### Rights to dividends

Ordinary and 'A' ordinary shareholders are entitled to receive a fixed non-cumulative dividend at a rate of 12% and 3% respectively.

##### Voting rights

- (a) Holders of 'A' Ordinary shares have one vote for each share held.
- (b) Holders of Ordinary shares have four votes for each share held.

##### Winding up

On winding up, (or any other return of capital) the assets of the Company available for distribution shall be divided on a pro rata basis 80% to Ordinary shares and 20% to 'A' Ordinary shares.



## **CREDIT LYONNAIS PROPERTIES**

### **Notes to the Financial Statements For the Year Ended 31 December 1998**

#### **8. Reconciliation of Movement in Shareholders' Funds**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Profit for the year	- 46,417,143	
Dividends proposed	- (45,416,000)	
Capital Reduction	- (83,300,000)	
Net reduction to shareholders funds	- (82,298,857)	
Shareholders' funds as at 1 January	1,201,143	83,500,000
Shareholders funds as at 31 December	1,201,143	1,201,143

#### **9. Ultimate Controlling Party**

The Company's ultimate holding company is Credit Lyonnais, a Société Anonyme registered in France and majority owned by the French State. Group financial statements can be obtained from 19 boulevard des Italiens, 75002 Paris, France. The Company's direct parent is Credit Lyonnais (Investments) Limited.