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**THAMES VALLEY TENANCIES LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED**

**30 SEPTEMBER 1998**

**Company Registration No. 2426192**



**THAMES VALLEY TENANCIES LIMITED**

**FINANCIAL STATEMENTS**

Year ended 30 September 1998

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**THAMES VALLEY TENANCIES LIMITED**

**FINANCIAL STATEMENTS**

Year ended 30 September 1998

<b>Directors</b>	C A Butterfield FCA J R Coles FRICS
<b>Secretary</b>	C A Butterfield FCA
<b>Registered office</b>	PO Box 10 Keyworth Nottinghamshire NG12 5NZ
<b>Auditors</b>	Cooper-Parry Chartered Accountants 56 High Pavement Nottingham NG1 1HX
<b>Solicitors</b>	Freeth Cartwright Hunt Dickins Express Buildings 29 Upper Parliament Street Nottingham NG1 2AQ
<b>Registered number</b>	2426192

# THAMES VALLEY TENANCIES LIMITED

## REPORT OF THE DIRECTORS

The directors present their report and financial statements for the year ended 30 September 1998.

### 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 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 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 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.

### Activities

The principal activity of the company is the letting of residential accommodation on assured tenancies.

### Review of the business

Both the level of business and the year end financial position were considered satisfactory by the directors.

### Dividends

The directors recommend the payment of a dividend of £33,218( 1997 : £nil).

### Directors and their interests

The directors who have held office during the year are listed on page 1.

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 September 1998	1 October 1997
C A Butterfield FCA	-	-
J R Coles FRICS	-	-

The interests of the directors in the share capital of Evenbrook Group Limited (the company's ultimate parent company) at 30 September 1998 are as follows:

	Ordinary shares of 25p each
C A Butterfield FCA	400,004
J R Coles FRICS	400,004

### Year 2000

A review has been undertaken of equipment potentially impacted by the year 2000 issue. The review indicates that the necessary changes, as far as is practical, have been identified and action taken to deal with any issues arising.

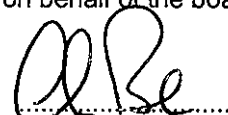
THAMES VALLEY TENANCIES LIMITED

REPORT OF THE DIRECTORS

**Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing the re-appointment of Messrs Cooper-Parry, as auditors of the company will be put to the annual general meeting.

Signed on behalf of the board of directors



C A BUTTERFIELD FCA

Director

Approved by the board on 7/1/99

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
THAMES VALLEY TENANCIES LIMITED**

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 7.

**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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Cooper-Parry*

**COOPER-PARRY**

56 HIGH PAVEMENT *NOTTINGHAM*

Chartered Accountants

*7 JANUARY 1999*

Registered Auditor

**THAMES VALLEY TENANCIES LIMITED**

**PROFIT AND LOSS ACCOUNT**

Year ended 30 September 1998

	Notes	1998 £	1997 £
<b>Turnover</b>		51,588	50,813
<b>Operating costs</b>			
Property costs		15,595	9,326
Other operating charges		2,803	2,336
<b>Operating profit</b>		33,190	39,151
<b>Profit on ordinary activities before taxation</b>	2	33,190	39,151
Tax on profit on ordinary activities	4	(28)	-
<b>Profit on ordinary activities after taxation</b>		33,218	39,151
Dividends		33,218	-
<b>Retained profit for the year</b>	10	-	39,151

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.

**Note of historical cost profits and losses**

There is no difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

**Statement of total recognised gains and losses**

	1998 £	1997 £
Profit for the financial year	33,218	39,151
Unrealised surplus on revaluation of properties	104,000	58,000
<b>Total recognised gains and losses relating to the year</b>	137,218	97,151

The notes on pages 7 to 12 form part of these financial statements.

THAMES VALLEY TENANCIES LIMITED

BALANCE SHEET

At 30 September 1998

	Notes	1998 £	1997 £
<b>Fixed assets</b>			
Tangible assets	5	620,000	516,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	343	431
Debtors: amounts falling due after more than one year	6	153,048	122,067
Cash at bank and in hand		2,089	50
		<u>155,480</u>	<u>122,548</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>43,587</u>	<u>10,655</u>
<b>Net current assets</b>		<u>111,893</u>	<u>111,893</u>
<b>Total assets less current liabilities</b>		<u>731,893</u>	<u>627,893</u>
<b>Capital and reserves</b>			
Called up share capital	9	739,025	739,025
Revaluation reserve	10	(60,470)	(164,470)
Profit and loss account	10	53,338	53,338
<b>Shareholders' funds</b>	11	<u>731,893</u>	<u>627,893</u>

Signed on behalf of the board of directors



C A Butterfield FCA  
Director

Approved by the board on 7/1/99

The notes on pages 7 to 12 form part of these financial statements.



# THAMES VALLEY TENANCIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 1998

### 1 Accounting policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

#### Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings. The financial statements are in compliance with the Companies Act 1985 except that as explained below, investment properties are not depreciated.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that the company is wholly-owned and its parent publishes a consolidated cashflow statement.

#### Turnover

Turnover represents gross rental income receivable which is credited when due and arose wholly within the United Kingdom.

#### Depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	15% straight line
--------------------------------	-------------------

In accordance with Statement of Standard Accounting Practice No. 19 'Accounting for investment properties', depreciation is not provided on freehold and long leasehold investment properties with more than 20 years to expiry. In the opinion of the Directors departure from the Companies Act 1985 requirement to provide depreciation on fixed assets with a limited useful economic life is necessary to present a true and fair view as such properties are not held for consumption but for investment. Depreciation is only one amongst many factors reflected in the annual valuation of properties and accordingly the amount of depreciation which might otherwise have been charged cannot be separately identified or quantified.

#### Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### Investment properties

Investment properties have been valued as stated in note 5 to the financial statements. Valuation adjustments are taken directly to revaluation reserve with the exception of deficits on individual investment properties which would be taken to profit and loss account if expected to be permanent.

**THAMES VALLEY TENANCIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 September 1998

**2 Profit on ordinary activities before taxation**

The profit on ordinary activities before taxation is stated after charging the following:

	1998 £	1997 £
Auditors' remuneration	1,145	1,058
	<u>1,145</u>	<u>1,058</u>

**3 Directors' emoluments and staff costs**

	1998 £	1997 £
Total emoluments of the directors	-	-
	<u>-</u>	<u>-</u>
Total wages and salaries remuneration (including directors)	-	-
	<u>-</u>	<u>-</u>

The average number of employees, including directors, engaged in the following activities was:

	Number	Number
Administration	2	2
	<u>2</u>	<u>2</u>

**4 Tax on profit on ordinary activities**

	1998 £	1997 £
UK corporation tax overprovided in previous year	(28)	-
	<u>(28)</u>	<u>-</u>

THAMES VALLEY TENANCIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 September 1998

5 Tangible fixed assets

	Freehold investment properties £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 October 1997	516,000	24,172	540,172
Revaluation	104,000	-	104,000
	<hr/>	<hr/>	<hr/>
At 30 September 1998	620,000	24,172	644,172
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 October 1997 & at 30 September 1998	-	24,172	24,172
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 September 1998	620,000	-	620,000
	<hr/>	<hr/>	<hr/>
At 30 September 1997	516,000	-	516,000
	<hr/>	<hr/>	<hr/>

Revaluation of fixed assets

The balance sheet carrying value of freehold investment properties reflects a vacant possession open market valuation carried out by FPD Savills, Chartered Surveyors in August 1998.

In respect of assets at valuation the comparable historical cost information is as follows:

	1998 £	1997 £
Valuation	620,000	516,000
Revaluation reserve	60,470	164,470
	<hr/>	<hr/>
Historical cost and net book value	680,470	680,470
	<hr/>	<hr/>

**THAMES VALLEY TENANCIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 September 1998

<b>6 Debtors : amounts falling due within one year</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Rental arrears	343	431
	<u>343</u>	<u>431</u>

**Debtors : amounts falling due after one year**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Amounts owed by parent and fellow subsidiary undertakings	153,048	122,067
	<u>153,048</u>	<u>122,067</u>

<b>7 Creditors: amounts falling due within one year</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Trade creditors	2,192	808
Amounts owed to parent and fellow subsidiary undertakings	33,218	-
Corporation tax	-	2,737
Tenants' deposits	4,174	3,692
Accruals and deferred income	4,003	3,418
	<u>43,587</u>	<u>10,655</u>

**8 Deferred taxation**

No provision has been made in the accounts and the estimated amounts unprovided at the year end are as follows:

Deferred tax - property revaluations	-	-
	<u>-</u>	<u>-</u>

The directors do not consider it likely that any corporation tax liability would arise on the disposal of investment properties at the value at which they are included in the financial statements.

<b>9 Called up share capital</b>	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Authorised:		
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, issued and fully paid:		
739,025 Ordinary shares of £1 each	739,025	739,025
	<u>739,025</u>	<u>739,025</u>

**THAMES VALLEY TENANCIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 September 1998

**10 Statement of movements on reserves**

	Revaluation reserve £	Profit and loss account £
Balance at 1 October 1997	(164,470)	53,338
Revaluation during the year	104,000	-
	<hr/>	<hr/>
Balance at 30 September 1998	(60,470)	53,338
	<hr/> <hr/>	<hr/> <hr/>

**11 Reconciliation of movements in shareholders' funds**

	1998 £	1997 £
Profit for the financial year	33,218	39,151
Dividends	(33,218)	-
	<hr/>	<hr/>
	-	39,151
Other recognised gains and losses	104,000	58,000
	<hr/>	<hr/>
Net addition to shareholders' funds	104,000	97,151
Opening shareholders' funds at 1 October 1997	627,893	530,742
	<hr/>	<hr/>
Closing shareholders' funds at 30 September 1998	731,893	627,893
	<hr/> <hr/>	<hr/> <hr/>

**12 Contingent liabilities**

The company has provided third party legal charges over its properties as security against borrowings of certain other group companies, which at 30 September 1998 amounted to £16.9m. The company has also provided guarantees in respect of the obligations of those companies to their providers of finance.

**13 Ultimate holding company**

The company is a subsidiary undertaking of Evenbrook Estates Limited which is registered in England and Wales. The directors regard Evenbrook Group Limited also registered in England and Wales as the ultimate parent undertaking. Copies of group financial statements may be obtained on application to:

PO Box 10  
Keyworth  
Nottinghamshire  
NG12 5NZ

# **THAMES VALLEY TENANCIES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

Year ended 30 September 1998

### **14 Related party transactions and company control**

The company is controlled by an intermediate parent undertaking, Evenbrook Estates Limited. The ultimate controlling parties are considered to be Mr CA Butterfield and Mr JR Coles who jointly retain controlling interests in the company's ultimate parent company, Evenbrook Group Limited.

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 8 'Related Party Disclosures', from disclosing transactions with group entities on the grounds that consolidated financial statements in which the company is included are publicly available.