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NOVOQUOTE LIMITED

Company Number 2519192

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Directors' Report and Accounts

Fifteen Month Period Ended 31 March 1994



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**Directors' Report and Accounts**

**Report of the Directors for the fifteen month period ended 31 March 1994**

The directors present their report together with the audited financial statements for the fifteen month period ended 31 March 1994 .

**Result and Dividend**

The accounts set out on pages 5 to 11 set out the results for the period ended 31 March 1994, and show the state of the company's affairs at that date. In the current state of the property market, the directors consider the company's position to be acceptable.

The directors do not propose the payment of a dividend in respect of the period.

**Principal Activity, Trading Review and Future Developments**

The principal activity of the company is property investment. The company renegotiated the terms of its loan from Bankers Trust Company during the period, and the loan is now due for repayment on 31 March 1997. As shown in note 1, the revaluation of the company's investment properties as at 31 March 1994 indicated a reduction in the value of those properties: this reduction has been taken into account in arriving at the profit for the year.

**Fixed Assets**

Movements on fixed assets are set out in note 1.

**Share Capital**

There were no changes to share capital during the year.

**Directors and their Interests**

The directors of the company during the period were:

P A Coster	(resigned 31 March 1994)
D R Evans	(appointed 31 March 1994)
A I Rosenfeld	(resigned 31 March 1994)
G W Sharp	(resigned 31 March 1994)
R A Stokes	(appointed 31 March 1994)

No director has any interest in the share capital of the company. Messrs Evans and Stokes remain in office.

**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

**Directors' Report and Accounts**

**Report of the Directors** for the fifteen month period ended 31 March 1994 - continued

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 a 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. The directors 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.

**Auditors**

The auditors, Rees Pollock, are willing to continue in office and resolutions re-appointing them and authorising the directors to fix their remuneration will be submitted to the annual general meeting.

By order of the board

A C Jackson



Secretary  
27 January 1995

17 Devonshire Street  
London W1N 1FS

Directors' Report and Accounts

Report of the Auditors to the Shareholders for the fifteen month period ended 31 March 1994

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention, modified by the inclusion of the investment properties at valuation, and the accounting policies set out on page 8.

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 an 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 accuracy 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 31 March 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Rees Paddock.

Registered Auditors  
Chartered Accountants

7 Pilgrim Street  
London EC4V 6DR

27, January 1995

Directors' Report and AccountsBalance Sheet as at 31 March 1994

	Notes	31.3.1994 £000	31.12.92 £000
<b>Fixed Assets</b>			
Investment property	1	2,360.0 =====	2,750.0 =====
<b>Current Assets</b>			
Debtors	2	152.3	136.2
Cash at bank and in hand		65.6	15.6
		<u>217.9</u>	<u>151.8</u>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	3	542.0	2,544.4
<b>Net Current Liabilities (-)</b>		<u>-324.1</u>	<u>-2,392.6</u>
<b>Total Assets less Current Liabilities</b>		<u>2,035.9</u>	<u>357.4</u>
<b>Liabilities falling due in more than one year</b>	3	2,000.0	0.0
<b>Net Assets</b>		<u>35.9</u> =====	<u>357.4</u> =====
<b>Capital and Reserves</b>			
Called up share capital	4	0.1	0.1
Revaluation reserve	5	0.0	366.0
Profit and loss account		35.8	-8.7
<b>Total capital and reserves</b>		<u>35.9</u> =====	<u>357.4</u> =====

These financial statements were approved by the board on 27 January 1995.



R A Stokes  
Director

The notes on pages 8 to 11 form part of these accounts.

Directors' Report and AccountsProfit and Loss Account for the year ended 31 March 1994

	Notes	1993/94 £000	1992 £000
Rent and service charge receivable	7	444.4	333.7
Property outgoings		166.4	70.9
Net revenue from property		278.0	262.8
Administrative expenses		31.3	4.1
Operating profit before exceptional items	8	246.7	258.7
Exceptional loss (-) on revaluation of investment properties	11	-55.5	0.0
Profit on ordinary activities before interest		191.2	258.7
Interest receivable	9	1.7	2.6
Interest payable	10	-148.4	-273.1
Retained profit/loss(-) on ordinary activities for the period	8	44.5	-11.8
		=====	=====

Statement of Total Recognised Gains and Losses

Retained profit/loss(-) on ordinary activities for the period	44.5	-11.8
Property revaluation deficit charged to revaluation reserve	-366.0	-2.0
Total gains and losses (-) recognised in the period	-321.5	-13.8
	=====	=====

Reconciliation of Shareholders' Funds

Capital and reserves at 31 December 1992	357.4	371.2
Total gains and losses (-) recognised in the period	-321.5	-13.8
Capital and reserves at 31 March 1994	35.9	357.4
	=====	=====

Historical Cost Profits and Losses

There are no differences between reported profits and losses and historical cost profits and losses, other than the revaluation of investment properties shown above as an exceptional item and detailed in note 1 and the accounting policies. Excluding the effect of this revaluation, the historical cost retained profit of the period would have been £100,000 (1992 loss £11,800).

No operations were acquired or discontinued during the period.

The notes on pages 8 to 11 form part of these accounts.

Directors' Report and AccountsCash Flow Statement for the year ended 31 March 1994

	Notes	1993/94 £
Net cash inflow/(outflow) from operating activities	12	297.1
Net cash outflow from returns on investment and servicing of finance:		
interest received		1.7
interest paid		-217.3
Net cash outflow from investing activities:		
payments to acquire tangible fixed assets		-31.5
Net cash inflow/(outflow) before financing		50.0
Financing		0.0
Increase in cash and cash equivalents	13	50.0

Comparative figures are not given, because at 31 December 1992 the company was a wholly owned subsidiary of a group within the European Union (Minerva Corporation PLC) for which a consolidated cash flow statement was published.

The notes on pages 8 to 11 form part of these accounts.



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**Directors' Report and Accounts**

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**Accounting Policies**

The financial statements have been prepared under the historical cost convention, modified by the inclusion of the investment properties at valuation, and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

**1 Rent and service charge receivable**

This comprises rents and service charges falling due from tenants during the period, excluding Value Added Tax.

**2 Investment property**

Properties held for investment purposes are periodically revalued. Where the revaluation is adopted in the company's accounts the net surplus or deficit is transferred to revaluation reserve. Where the valuation is below cost the deficit is taken to the profit and loss account. No provision is made for depreciation of investment properties in accordance with SSAP 19. The directors consider that this accounting policy is necessary for the accounts to show a true and fair view.

**3 Interest payable**

Interest payable on borrowings used to finance investment properties yielding less than full market rental is capitalised to the extent that the amount payable exceeds the net rental income of those properties. All other interest payable is charged to the profit and loss account.

**4 Deferred taxation**

Deferred taxation is computed under the liability method on short term timing differences. No provision is made for the potential liability to taxation which would arise in the event of realisation of the investment properties held at the balance sheet date at the values at which they are stated in the accounts. If the investment properties were disposed of at the values currently shown in the balance sheet, no liability would arise (1992 - no liability).

**5 Operating leases**

Annual rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**6 Comparative figures**

Comparative figures shown in these accounts are for the year ended 31 December 1992.

Directors' Report and AccountsNotes on the Financial Statements**1 Fixed Assets**

Investment property	Long leaseholds £000
Professional valuation at 31 December 1992	2,750.0
Additions during the period at cost	31.5
Revaluation deficit	-421.5
Professional valuation at 31 March 1994	<u>2,360.0</u> =====

The properties have been recorded as at 31 March 1994 at an estimate of open market value made by the directors as at that date. The directors' estimate is based on valuations prepared by external valuers. The historical cost of the properties at 31 March 1994 was £2,415,507 (1992 - £2,384,034). The total amount of interest capitalised as part of the cost of investment properties at 31 March 1994 was £67,731 (1992 - £67,731).

There were no capital commitments as at 31 March 1994.

Debtors	31.3.94 £000	31.12.92 £000
other debtors	152.3 =====	136.2 =====

All items are due for payment within one year.

Creditors Falling Due Within One Year	31.3.94 £000	31.12.92 £000
bank loans	0.0	2,000.0
amount owed to holding company	0.0	281.7
amount owed to parent company	0.0	15.4
amount owed to fellow subsidiary	160.8	0.0
taxation and social security	16.4	36.9
other creditors	263.3	43.3
accruals and deferred income	101.5	167.1
total	<u>542.0</u> =====	<u>2,544.4</u> =====

Accruals and deferred income include the sum of £4,808 (1992: £75,019) of interest due to Bankers Trust Company.

**Creditors Falling Due in more than One Year**

bank loan	2,000.0 =====	0.0 =====
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Directors' Report and AccountsNotes on the Financial Statements continued

The Revised terms of the bank loan (which is from Bankers Trust Company, the company's ultimate holding company) were agreed on 31 March 1994. Repayment of principal is now due on 31 March 1997.

<b>4</b>	<b>Share Capital</b>	<b>31.3.94</b>	<b>31.12.92</b>
		£	£
	Authorised: 1,000 ordinary shares of £1 each	1,000	1,000
		=====	=====
	Allotted, called up and fully paid: ordinary shares of £1 each	100	100
		=====	=====
<b>5</b>	<b>Revaluation Reserve</b>	<b>31.3.94</b>	<b>31.12.92</b>
		£000	£000
	Balance at 31 December 1992	366.0	368.0
	Revaluation deficit charged to reserve	-366.0	-2.0
		-----	-----
	Balance at 31 March 1994	0.0	366.0
		=====	=====
<b>6</b>	<b>Commitments Under Operating Leases</b>		
	£1,110 falls due in respect of operating leases for buildings in the next twelve months (31.12.92 - £1,110)		
<b>7</b>	<b>Revenue and Losses</b>		
	Revenue and losses arise from the company's principal activities, all of which related to United Kingdom customers.		
<b>8</b>	<b>Loss on Ordinary Activities</b>	<b>1993/94</b>	<b>1992</b>
		£000	£000
	This has been arrived at after charging:		
	auditors' remuneration	3.0	1.0
	operating lease rentals: land and buildings	1.1	1.1
		=====	=====
	Because of losses brought forward, no provision for Corporation Tax is required. The directors did not receive any remuneration in respect of the year, and the company had no employees.		
<b>9</b>	<b>Interest Receivable</b>	<b>1993/94</b>	<b>1992</b>
		£000	£000
	bank interest	1.4	2.6
	other interest	0.3	0.0
		-----	-----
	total	1.7	2.6
		=====	=====

**Directors' Report and Accounts****Notes on the Financial Statements** continued

<b>10</b>	<b>Interest Payable</b>	<b>1993/94</b>	<b>1992</b>
		<b>£000</b>	<b>£000</b>
	interest on bank loan repayable within five years	147.1	230.7
	other interest	1.3	42.4
	<b>total</b>	<b>148.4</b>	<b>273.1</b>
		=====	=====
<b>11</b>	<b>Exceptional Item</b>	<b>1993/94</b>	<b>1992</b>
		<b>£000</b>	<b>£000</b>
	Loss arising on revaluation of investment properties	55.5	0.0
		=====	=====
	The loss represents the total deficiency on revaluation of £421,500 shown in note 1, less £366,000 charged against the revaluation reserve and shown in note 5.		
<b>12</b>	<b>Net Cash Inflow/Outflow from Operating Activities</b>	<b>1993/94</b>	
		<b>£000</b>	
	Operating profit before exceptional items		246.6
	Increase in debtors		-16.1
	Increase in creditors		66.6
	<b>Net cash inflow from operating activities</b>		<b>297.1</b>
			=====
<b>13</b>	<b>Reconciliation of Changes in Cash and Cash Equivalents</b>	<b>1993/94</b>	
		<b>£000</b>	
	Balance at 1 January 1993		15.6
	Net cash inflow		50.0
	<b>Balance at 31 March 1994</b>		<b>65.6</b>
			=====

**14 Ultimate Holding Company**

The ultimate holding company is Bankers Trust New York Corporation, which is incorporated in the United States of America. This is also the parent undertaking of the largest group of which the company is a member and for which group accounts are drawn up. Copies of the group accounts of Bankers Trust New York Corporation may be obtained from 1 Appold Street, Broadgate, London EC2A 2HE.