

ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED  
DIRECTORS' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 24 MARCH 1998

Registered Number: 2779223

Ref: 05



# ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

## DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 24 March 1998.

### BUSINESS REVIEW

The company is the holding company of a group of companies engaged in property investment.

The company held an extraordinary general meeting on 22 October 1997 which approved (a) an increase of £500,000 in the authorised share capital of the company; and (b) a rights issue of 500,000 new ordinary shares at a price of £1.00 per share. A call was made on the new shares of 60p per share, thereby raising £300,000, before expenses.

A contract for the purchase of a development site in Coatbridge near Glasgow was entered into in an earlier year, conditional upon obtaining a planning consent. A planning application for the site was refused on 25 June 1997. The company lodged an appeal against this decision and the hearing of the appeal took place in January 1998 but it has subsequently been learnt that the appeal has not been successful. (See also Directors' Interests below).

The state of the group's affairs is shown in the accounts.

### POST BALANCE SHEET EVENT

On 31 March 1998 Quintain Estates and Development Plc became the company's ultimate parent undertaking.

### DIVIDEND AND TRANSFER TO RESERVES

A dividend of £70 (1997: £70) was paid on the 7% fixed cumulative preference £1 A shares. No dividend is recommended on the ordinary £1 B shares. The loss and transfer to reserves for the year is shown on page 5.

### DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year, which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing the accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

# ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

## DIRECTORS' REPORT (continued)

### DIRECTORS AND DIRECTORS' INTERESTS

The directors who served during the year and at the date of this report were:

		<u>Appointed</u>	<u>Resigned</u>
S A Wingate	(Chairman & Chief Executive)		31.3.98
C N Jones			31.3.98
W G Nutley			31.3.98
C E Parker			31.3.98
R Stringer	(Property Director)		31.3.98
B Williams	(Finance Director)		31.3.98
M J Woolley		14.1.98	31.3.98
N G Ellis		31.3.98	
A R Wyatt		31.3.98	
E S Dugdale		31.3.98	
N S K Shattock		31.3.98	

The beneficial interests of the directors in the share capital of the company at 24 March 1998, or date of appointment if later, were:

	<u>24.3.98</u>		<u>24.3.97</u>
	<u>B Shares of £1 each</u>	<u>B shares of £1 each</u>	
	<u>60p</u>	<u>fully</u>	<u>fully</u>
	<u>paid</u>	<u>paid</u>	<u>paid</u>
S A Wingate	86,000	86,000	156,000
C N Jones	10,000	10,000	10,000
W G Nutley	10,000	10,000	10,000
C E Parker	2,000	-	-
R Stringer	10,500	10,000	10,000
B Williams	2,500	2,000	2,000

The directors had no interest in the group's 10% Secured Loan Stock 1993/98 nor in the 10% First Mortgage Debenture Stock 2011.

Funding for all expenditure on the development site at Coatbridge is being provided by Belgravia Securities Limited, a company controlled by Mr Wingate. In consideration, two thirds of any available profit will accrue to Belgravia Securities. Professional fees of £27,500 were paid to the surveying practice of Mr C N Jones for services provided on the company's properties at Leeds and Redditch. Apart from these matters, no contract of significance subsisted, during or at the end of the year, in which a director of the company is or was materially interested.

### OTHER SHAREHOLDERS

The directors have been notified that as at 24 March 1998 the following members of the company were beneficially interested in more than 3% of the issued share capital of the company:

	<u>24.3.98</u>		<u>24.3.97</u>
	<u>B shares of £1 each</u>	<u>B shares of £1 each</u>	
	<u>60p</u>	<u>fully</u>	<u>fully</u>
	<u>paid</u>	<u>paid</u>	<u>paid</u>
Eagle Star Securities Limited	99,000	99,000	99,000
George Soros	85,000	85,000	85,000
Gstaad Limited	70,000	70,000	-
Esmond Investments Limited	50,000	50,000	50,000
Greenville Co Limited	50,000	50,000	50,000

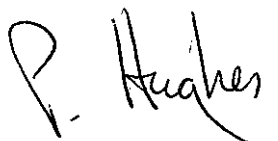
ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

DIRECTORS' REPORT (continued)

AUDITORS

In accordance with S385 of the Companies Act 1985, a board resolution was passed on 31 March 1998 whereby KPMG Audit Plc were appointed as the company's auditors, jointly with Goodman Jones. A resolution for the reappointment of KPMG Audit Plc as auditors of the company will be proposed at the forthcoming annual general meeting.

By order of the board

A handwritten signature in dark ink, appearing to read 'P. Hughes', with a long, sweeping horizontal stroke extending to the right.

P HUGHES  
Secretary

58 Davies Street  
London W1Y 1LB

15 June 1998

REPORT OF THE JOINT AUDITORS, GOODMAN JONES AND KPMG AUDIT PLC,  
TO THE MEMBERS OF  
ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

We have audited the accounts on pages 5 to 16 which have been prepared in accordance with the accounting policies set out in note 1 to the accounts.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

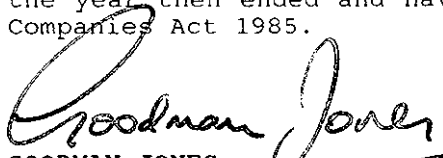
BASIS OF OPINION

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts and of whether the accounting policies are appropriate to the group'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 accounts 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 accounts.

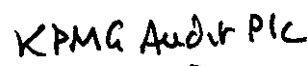
OPINION

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 24 March 1998 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
GOODMAN JONES  
Registered Auditors  
Chartered Accountants

29/30 Fitzroy Square  
London W1P 6LQ

15 June 1998



KPMG Audit Plc  
Chartered Accountants  
and Registered Auditor

8 Salisbury Square  
London EC4Y 8BB

15 June 1998

ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 24 MARCH 1998

	Notes	<u>1998</u> £000	<u>1997</u> £000
Gross rents receivable		1,996	1,914
Other property expenses		(400)	(325)
		-----	-----
Net income from property		1,596	1,589
Other income		56	68
Administrative expenses		(590)	(576)
		-----	-----
Operating profit		1,062	1,081
Gain on disposal of properties	2	112	1
Provision against balance due from former ultimate parent undertaking of principal subsidiary undertaking		(32)	25
Interest receivable on deposits		5	19
Interest payable	3	(1,440)	(1,437)
		-----	-----
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(293)	(311)
Tax credit on loss on ordinary activities	7	101	18
		-----	-----
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(192)	(293)
Preference dividend payable	8	-	-
		-----	-----
RETAINED LOSS FOR THE YEAR		(192)	(293)
Balance brought forward		(224)	63
Realisation of revaluation (deficit)/surplus on disposal of properties		(50)	6
		-----	-----
RETAINED LOSS CARRIED FORWARD		(466)	(224)
		=====	=====

The historical cost profits and losses were not materially different from those shown above.

The results all arise from continuing operations.

The notes on pages 9 to 16 form part of these accounts.

ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF RECOGNISED GAINS & LOSSES

FOR THE YEAR ENDED 24 MARCH 1998

	<u>1998</u> £000	<u>1997</u> £000
Loss for the period after taxation	(192)	(293)
Net surplus on revaluation	2,014	-
	-----	-----
Total recognised profits/(losses)	1,822	(293)
	=====	=====

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 24 MARCH 1998

Total recognised profits/(losses)	1,822	(293)
Issue of shares	500	-
Opening shareholders' funds	4,926	5,219
	-----	-----
Closing shareholders' funds	7,248	4,926
	=====	=====

The notes on pages 9 to 16 form part of these accounts.

**ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED**

**BALANCE SHEET AT 24 MARCH 1998**

	<u>Notes</u>	<u>1998</u> £000	<u>Group</u> <u>1997</u> £000	<u>Company</u> <u>1998</u> £000	<u>1997</u> £000
FIXED ASSETS					
Tangible assets:					
Investment properties	9	21,780	19,800	-	-
Investments:					
Subsidiary undertakings	10	-	-	-	-
Other investments	11	1	1	-	-
Computer equipment & furniture	4	-	10	-	-
		-----	-----	-----	-----
		21,781	19,811	-	-
		-----	-----	-----	-----
CURRENT ASSETS					
Development property	12	-	101	-	-
Debtors	13	748	83	1,009	505
Cash		192	382	-	-
		-----	-----	-----	-----
		940	566	1,009	505
CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	14	(3,973)	(1,012)	-	-
		-----	-----	-----	-----
NET CURRENT ASSETS/ (LIABILITIES)		(3,033)	(446)	1,009	505
		-----	-----	-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		18,748	19,365	1,009	505
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15	(11,500)	(14,439)	-	-
		-----	-----	-----	-----
NET ASSETS		7,248	4,926	1,009	505
		=====	=====	=====	=====
CAPITAL AND RESERVES					
Called up share capital	17	1,001	501	1,001	501
Asset revaluation reserve	18	2,786	722	-	-
Capital reserve	18	3,927	3,927	-	-
Profit and loss account	18	(466)	(224)	8	4
		-----	-----	-----	-----
SHAREHOLDERS' FUNDS		7,248	4,926	1,009	505
		=====	=====	=====	=====

These accounts were approved by the board of directors  
on 15 June 1998 and were signed on its behalf by

A R Wyatt

} *AR Wyatt*  
} Directors

N S K Shattock

} *Nikhil Shattock*

The notes on pages 9 to 16 form part of these accounts.



ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 24 MARCH 1998

	<u>Notes</u>	<u>1998</u> <u>£000</u>	<u>1997</u> <u>£000</u>
Net cash flow from operating activities	19	1,057	1,474
Returns on investments and servicing of finance	20	(1,435)	(1,321)
Tax paid		( 22)	-
Capital expenditure and financial investment	20	( 86)	1
		-----	-----
Net cash (outflow)/inflow before management of liquid resources and financing		( 486)	154
Financing		300	-
		-----	-----
(Decrease)/increase in cash in the year	21	( 186)	154
		=====	=====

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

(Decrease)/increase in cash in the year	21	( 186)	154
		-----	-----
Movement in net debt in the year	21	( 186)	154
Net debt at 25 March 1997	21	(14,061)	(14,215)
		-----	-----
Net debt at 24 March 1998	21	(14,247)	(14,061)
		=====	=====

The notes on pages 9 to 16 form part of these accounts.

# ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

### 1. ACCOUNTING POLICIES

#### Basis of preparation

The accounts have been prepared under the historical cost convention as modified for the revaluation of properties and in accordance with applicable accounting standards.

#### Consolidation

The consolidated accounts incorporate the accounts of the company and all of its subsidiary undertakings for the year ended 24 March 1998.

A separate profit and loss account dealing with the results of the company has not been presented, as permitted by section 230 of the Companies Act 1985.

Acquisition accounting is applied such that, at the date of acquisition, the fair value of the net assets of the subsidiary is determined and this value is incorporated in the consolidated accounts. Any difference between the cost of investment and the net assets of the subsidiary that remain after this valuation is taken to reserves.

#### Investment properties

Additions to investment properties include only costs of a capital nature, including certain refurbishment expenditure. Costs such as interest and other property outgoings are treated as revenue expenditure and written off as incurred.

In accordance with SSAP 19, (i) investment properties are revalued annually to open market value and the aggregate surplus or deficit is transferred to revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. This treatment, as regards the group's investment properties, is a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the annual valuation, and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### Investments - company

Investments in subsidiary undertakings are stated at the lower of cost and attributable net asset value.

#### Development property

The property is stated at the lower of cost and net realisable value.

#### Taxation

The charge for taxation is based on the profit for the year. Provision is made for deferred taxation to the extent that it is probable that an actual liability will crystallise.

**ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS**

**2. GAIN ON DISPOSAL OF PROPERTIES**

	<u>1998</u>	<u>1997</u>
	£000	£000
Proceeds (net of selling costs)	312	1
Book value	(200)	-
	-----	-----
	112	1
	=====	=====

**3. INTEREST PAYABLE**

Bank loans, overdrafts and other loans repayable within 5 years	290	287
Other loans	1,150	1,150
	-----	-----
	1,440	1,437
	=====	=====

**4. GROUP LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit is stated after charging £11,750 (1997: £18,800) for auditors remuneration. Amounts paid under an operating lease, which expires in September 2000, were £39,200 (1997: £29,400). The cost of the computer equipment and furniture of £10,000 has been fully written off in the year.

**5. STAFF NUMBERS AND COST**

The average number of persons employed by the group (including directors) during the period was:

	<b>Number</b>	<b>Number</b>
Property management	3	3
Administration & general management	6	6
Non-executive directors	4	4
	-----	-----
	13	13
	=====	=====

The aggregate payroll costs of these persons were:

	<b>£000</b>	<b>£000</b>
Salaries	262	272
Social security costs	25	27
	-----	-----
	287	299
	=====	=====

In addition to the number of persons above, the group employs one caretaker (1997: 1) for whom the payroll cost is recovered from the tenants of the property concerned.

ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

NOTES TO THE ACCOUNTS

6. DIRECTORS' EMOLUMENTS

	<u>1998</u> £000	<u>1997</u> £000
Details of directors' emoluments, excluding pension contributions, were as follows:		
Total emoluments	149	167
	=====	=====
Chairman & highest paid director	57	59
	=====	=====

7. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

Corporation tax at 31% (1997: 33%)	-	-
Prior years adjustment	(101)	(18)
	-----	-----
	(101)	(18)
	=====	=====

8. PREFERENCE DIVIDEND

A dividend of £70 (1997: £70) was paid on the 7% fixed cumulative preference shares for the year ended 24 March 1998.

9. INVESTMENT PROPERTIES

<u>GROUP</u>	<u>Freehold</u> £000
At 24 March 1997	19,800
Additions	166
Revaluation surplus	2,014
Disposal	(200)
	-----
At 24 March 1998	21,780
	=====

Investment properties have been included at a valuation as at 24 March 1998 by Jones Lang Wootton, Chartered Surveyors, with subsequent additions at cost. The valuation was prepared on the basis of Open Market Value in accordance with the RICS Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors.

The historical cost of investment properties as at the year end was £18,994,000 (1997: £19,078,000).

Charges exist over the group's properties to secure group borrowings.

# ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

### 10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

Shares in Giltvote Limited are stated in the Company's accounts at a cost of £1.

The principal subsidiary undertakings forming part of the consolidated accounts at 24 March 1998 were:

Giltvote Limited  
Estates Property Investment Company Limited  
EPIC Commercial Properties Limited

All the above named subsidiary undertakings are wholly owned and their principal activity is property investment.

The company has other wholly owned subsidiary undertakings which either do not trade or whose results are, in the opinion of the directors, insignificant in relation to the profit or loss and the assets of the group.

All the companies in the group are registered and operate in England and Wales.

### 11. OTHER INVESTMENTS

	Group		Company	
	1998	1997	1998	1997
	£000	£000	£000	£000
£1,000 8% Treasury Stock 2000	1	1	-	-
	=====	=====	=====	=====

### 12. DEVELOPMENT PROPERTY

	£000	£000	£000	£000
At 24 March 1997	101	64	-	-
Additions in year	52	37	-	-
Provision for diminution in value	(153)	-	-	-
	-----	-----	-----	-----
At 24 March 1998	-	101	-	-
	=====	=====	=====	=====

A planning application for the site at Coatbridge was refused on 25 June 1997. The company lodged an appeal against this decision and the hearing of the appeal took place in January 1998 but it has subsequently been learnt that the appeal has not been successful. As a result, it has been decided to write down the value of the interest to nil.

# ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

13. <u>DEBTORS</u>	<u>Group</u>		<u>Company</u>	
	<u>1998</u> £000	<u>1997</u> £000	<u>1998</u> £000	<u>1997</u> £000
Rent and service charges receivable	77	37	-	-
Amount due from subsidiary undertaking	-	-	809	505
Amount due from former ultimate parent undertaking of principal subsidiary undertaking	14,788	14,756	-	-
Provision thereon	(14,788)	(14,756)	-	-
Other debtors & prepayments	368	46	-	-
Corporation tax	103	-	-	-
Called up share capital unpaid	200	-	200	-
	-----	-----	-----	-----
	748	83	1,009	505
	=====	=====	=====	=====

14. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>				
	£000	£000	£000	£000
10% Secured Loan Stock 1993/98	1,000	-	-	-
Barclays Bank 1998	350	-	-	-
Lloyds Bank 1998	1,589	-	-	-
Lloyds Bank bank overdraft (secured)	-	4	-	-
Rents and service charges received in advance	246	152	-	-
Current corporation tax	-	22	-	-
Other creditors	24	116	-	-
Accruals	764	718	-	-
	-----	-----	-----	-----
	3,973	1,012	-	-
	=====	=====	=====	=====

The 10% Secured Loan Stock was repaid in full on 30 April 1998.

The Secured Loan Stock and the Lloyds Bank borrowing are secured by fixed charges on certain investment properties.

The Barclays Bank indebtedness of £350,000 incurs interest charges at 8% per annum until the 25 March 1998, and thereafter at 10% until the due date of 30 October 1998.

# ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

### 15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>Group</u>		<u>Company</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
10% First Mortgage Debenture Stock 2011	11,500	11,500	-	-
10% Secured Loan Stock 1993/1998	-	1,000	-	-
Barclays Bank 1998	-	350	-	-
Lloyds Bank 1998	-	1,589	-	-
	-----	-----	-----	-----
	11,500	14,439	-	-
	=====	=====	=====	=====
The above loans are repayable:				
- in 1998	-	2,939	-	-
- in 2011	11,500	11,500	-	-
	-----	-----	-----	-----
	11,500	14,439	-	-
	=====	=====	=====	=====

The 10% First Mortgage Debenture Stock 2011 is secured by fixed charges on certain investment properties of the group.

### 16. DEFERRED TAXATION

No deferred tax provision has been made within the company or the group. It is estimated that the potential liability for deferred tax on revaluation surpluses is £440,000.

### 17. SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	<u>£000</u>	<u>£000</u>
Authorised and issued:		
1,000 non-voting 7% fixed cumulative preference A shares of £1 each fully paid	1	1
500,000 voting ordinary B shares of £1 each fully paid	500	500
500,000 voting ordinary B shares of £1 each partly paid	500	-
	-----	-----
	1,001	501
	=====	=====

On 22 October 1997, the company increased the authorised share capital by the creation of 500,000 new ordinary B shares of £1 each. On the same date the company issued 500,000 new ordinary B shares of £1 each, 60p paid. On 31 March 1998, the balance of 40p was paid up on each new ordinary share by the capitalisation of a loan.

# ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED

## NOTES TO THE ACCOUNTS

### 18. SHARE PREMIUM AND RESERVES

	Asset Revaluation Reserve £000	Group Capital Reserve £000	Profit & Loss Account £000
At 24 March 1997	722	3,927	(224)
Net surplus on revaluation	2,014	-	-
Deficit realised on disposal of property	50	-	(50)
Retained loss for the year	-	-	(192)
	-----	-----	-----
At 24 March 1998	2,786	3,927	(466)
	=====	=====	=====
			Company Profit & Loss Account £000
At 24 March 1997			4
Retained profit for the year			4
			-----
At 24 March 1998			8
			=====

### 19. RECONCILIATION OF OPERATING PROFIT TO CASH INFLOW FROM OPERATING ACTIVITIES

	1998 £000	1997 £000
Operating profit	1,062	1,081
(Increase)/decrease in debtors	(50)	428
Increase/(decrease) in creditors	67	(60)
(Increase)/decrease in provisions	(32)	25
Depreciation	10	-
	-----	-----
Net cash inflow from operating activities	1,057	1,474
	=====	=====

### 20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	£000	£000
Returns on investments and servicing of finance		
Interest received	5	119
Interest paid	(1,440)	(1,440)
	-----	-----
Net cash outflow from returns on investments and servicing of finance	(1,435)	(1,321)
	=====	=====
Capital expenditure		
Purchase of tangible fixed assets	(86)	-
Receipts from sale of tangible assets	-	1
	-----	-----
Net cash inflow from capital expenditure	(86)	1
	=====	=====
Financing		
Issue of ordinary share capital	300	-
	=====	=====



**ESTATES PROPERTY INVESTMENT COMPANY (HOLDINGS) LIMITED**

**NOTES TO THE ACCOUNTS**

**21. ANALYSIS OF NET DEBT**

	Beginning of year £000	1998 Cash flow £000	Other movements £000	End of year £000
Cash at bank and in hand	382	(190)		192
Bank overdrafts	(4)	4		-
Debts due within one year	-	-	(2,939)	(2,939)
Debts due after one year	(14,439)	-	2,939	(11,500)
	-----	-----	-----	-----
	(14,061)	(186)	-	(14,247)
	=====	=====	=====	=====

	Beginning of year £000	1997 Cash flow £000	Other movements £000	End of year £000
Cash at bank and in hand	263	119		382
Bank overdrafts	(39)	35		(4)
Debts due after one year	(14,439)	-		(14,439)
	-----	-----	-----	-----
	(14,215)	154	-	(14,061)
	=====	=====	=====	=====

**22. PROFIT FOR THE PERIOD - COMPANY**

As permitted for statutory accounts by Section 230 of the Companies Act 1985, the profit and loss account of the company is not presented as part of the accounts. The profit of the company for the year was £4,983 (1997: loss £18).

**23. RELATED PARTY TRANSACTION**

A contract for the purchase of a development site in Coatbridge near Glasgow was entered into in the previous year, conditional upon obtaining a planning consent (see note 12. above). Funding for all expenditure on the development is being provided by Belgravia Securities Limited, a company controlled by Mr Wingate. In consideration, two thirds of any available profit would accrue to Belgravia Securities Limited. As detailed in Note 12, the planning application and appeal have not been successful and, as a result of these decisions and the non recourse basis of funding provided by Belgravia Securities Limited, all amounts owed to Belgravia Securities Limited have been written off.

**24. PARENT UNDERTAKING**

Quintain Estates and Development PLC, became the ultimate parent company on 31 March 1998. It is registered in England and a copy of its accounts can be obtained from 58 Davies Street, London W1Y 1LB.