

**PARDEV (MANCHESTER) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

31st March 1998

Registered number: 2783384



# **PARDEV (MANCHESTER) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 31ST MARCH 1998**

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# PARDEV (MANCHESTER) LIMITED

## DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 31st March 1998.

### 1. PRINCIPAL ACTIVITY

It is intended that the company in future will undertake property investment.

### 2. 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 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed in the financial statements
- 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. The directors have a 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.

### 3. DIRECTORS

The following served as directors during the year:

H J M Price  
H R Mould

Neither of the directors had any interest in the shares of the company during the year.

The interests of the directors who held office at the end of the year in the shares of the parent company, Pillar Property PLC, are shown in the report and accounts of that company.

### 4. AUDITORS

A resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG Audit Plc as auditors of the company.

### 5. INSURANCE

The company has maintained liability insurance for its directors through a group wide scheme.

Lansdowne House  
Berkeley Square  
London  
W1X 6HQ



By Order of the Board  
P J Martin  
Secretary  
10th September 1998

## **REPORT OF THE AUDITORS TO THE MEMBERS OF PARDEV (MANCHESTER) LIMITED**

We have audited the financial statements on pages 3 to 6.

### *Respective responsibilities of directors and auditors*

As described on page 1 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 affairs of the company as at 31st March 1998 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**KPMG Audit Plc**

KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

10th September 1998

**PARDEV (MANCHESTER) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31ST MARCH 1998**

	NOTE	Year ended 31st March 1998 £	Year ended 31st March 1997 £
TURNOVER		8,668	-
ADMINISTRATIVE AND OTHER EXPENSES		-	(23,667)
OPERATING PROFIT/(LOSS)	2	8,668	(23,667)
INTEREST RECEIVABLE		-	3,096
WAIVER OF INTERCOMPANY CREDITOR		11,903	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION		20,571	(20,571)
RESERVES BROUGHT FORWARD		(20,571)	-
RESERVES CARRIED FORWARD		-	(20,571)

There were no material differences in historical cost profit and loss.

All items in the profit and loss account derive from continuing operations.

There were no gains or losses other than those recognised above.

# PARDEV (MANCHESTER) LIMITED

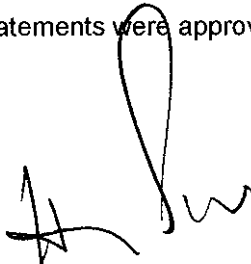
## BALANCE SHEET

AS AT 31ST MARCH 1998

		NOTE	1998 £	1997 £
CURRENT ASSETS	Debtors	5	2,141,275	2,149,643
CREDITORS(AMOUNTS DUE WITHIN ONE YEAR)		6	2,141,274	2,170,213
NET CURRENT ASSETS/(LIABILITIES)			1	(20,570)
NET ASSETS / (LIABILITIES)			1	(20,570)
			=====	=====
CAPITAL AND RESERVES	Called up share capital	7	1	1
	Profit and loss account		-	(20,571)
SHAREHOLDERS' FUNDS			1	(20,570)
			=====	=====

The financial statements were approved by the Board of Directors on 10th September 1998 and signed on its behalf by:

H.J.M.Price  
Director



# PARDEV (MANCHESTER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

Accounting Convention	These financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention, as modified by the revaluation of investment properties.
Accounting Basis	The accounts have been prepared on a going concern basis which is dependent on the continued financial support of the ultimate parent company. The ultimate parent company has confirmed its intention to provide, or arrange the provision of, such financial and other assistance as may be necessary to enable the company to meet its liabilities as they fall due for payment.
Turnover	Turnover, which is stated net of VAT, is derived from rental income from operations in the United Kingdom.
Hedging costs	Hedging costs are amortised over the life of the hedging instruments and the element not amortised is included within prepayments.
Deferred Taxation	Provision is made at the appropriate rates, using the liability method, for deferred taxation arising from timing differences, to the extent that it is probable that a liability will crystallise in the future.
Cash flow statement	Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking and the parent company, which is incorporated in Great Britain, prepares a cash flow statement.

2. PROFIT AND LOSS ACCOUNT Directors' emoluments and audit fees are both nil (1996 nil). The company has no employees (1996 nil).

3. TAXATION The corporation tax liability has been reduced to nil due to the receipt of group relief from the parent company for nil consideration.

4. DEFERRED TAXATION The full potential deferred taxation asset not provided in the financial statements is as follows:

	Amount not Provided	
	1998	1997
	£	£
Capital losses	(1,365)	(1,453)
	===	===

	1998	1997
	£	£
Amount due from fellow subsidiary	2,141,275	2,141,275
Trade debtors	-	7,223
Other debtors	-	1,145
	-----	-----
	2,141,275	2,149,643
	=====	=====

# PARDEV (MANCHESTER) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

6. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)		1998	1997
		£	£
	Amount due to parent company	1,966,142	1,962,778
	Accruals and deferred income	175,132	207,435
		<u>2,141,274</u>	<u>2,170,213</u>
		=====	=====
7. CALLED UP SHARE CAPITAL		1998	1997
		£	£
	Authorised		
	100 ordinary shares of £1 each	100	100
		=====	=====
	Issued, allotted, called up and fully paid		
	1 ordinary share of £1 each	1	1
		===	===
8. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS		1998	1997
		£	£
	Profit/(Loss) for the year	20,571	(20,571)
	Opening shareholders' funds	(20,570)	1
		<u>1</u>	<u>(20,570)</u>
	Closing shareholders' funds	=====	=====
9. PARENT COMPANY	The parent company is Pillar Property PLC, a company incorporated and registered in England and Wales. A copy of that company's financial statements can be obtained from its registered office, Lansdowne House, Berkeley Square, London W1X 6HQ.		