

**Company Registration No 2792457**

**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**Report and Financial Statements**

**Year ended 30 June 2000**



**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**REPORT AND FINANCIAL STATEMENTS 2000**

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**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**OFFICERS**

**DIRECTORS**

C O Helvert  
M Higgins

**SECRETARY**

Walgate Services Limited  
25 North Row  
London W1R 1DJ

**REGISTERED OFFICE**

Albemarle House  
1 Albemarle Street  
London W1S 4HA

# **GANDER PROPERTIES LIMITED**

**(formerly Gander Properties Plc)**

## **DIRECTORS' REPORT**

The director presents their report and the audited financial statements for the year ended 30 June 2000.

### **ACTIVITY REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The principal activity of the company during the year was trading as a property development and investment company. The profit and loss account is set out on page 6. The directors consider that the financial position was satisfactory in the prevailing circumstances, and do not anticipate significant change in the the nature of its business in the forthcoming year.

The directors do not recommend the payment of a dividend (1999: £nil).

### **CHANGE OF NAME**

On 10 November 1999, Gander Properties Plc changed its name to Gander Properties Limited.

### **DELISTING FROM THE LONDON STOCK EXCHANGE**

On 10 November 1999 the shares of Gander Properties Plc were delisted from the London Stock Exchange.

### **DIRECTORS AND DIRECTORS' INTERESTS**

The current directors is as stated on page 1.

The changes in directors during the year and up to the date of these accounts were:

		<b>30 June 2000</b>	<b>30 June 1999</b>
		<b>Ordinary shares of</b>	<b>Ordinary shares of</b>
		<b>1p each</b>	<b>1p each</b>
		<b>Beneficial</b>	<b>Beneficial</b>
T F Vaughan	(resigned 9 November 1999)	-	15,995,550
O J Vaughan	(resigned 9 November 1999)	-	31,221,390
T M James	(resigned 9 November 1999)	-	26,748,559
C D James	(resigned 9 November 1999)	-	15,563,052
A Graham	(resigned 9 November 1999)	-	840,000
B M Moritz	(resigned 11 August 1999)	-	2,549,456
M Higgins	(appointed 9 November 1999;	-	N/A
P M I Catto	(appointed 9 November 1999;	-	N/A
	resigned 12 March 2001)		
C O Helvert	(appointed 9 November 1999)	-	N/A

At 30 June 1999, a total of 14,350,000 warrants to subscribe for the equivalent number of shares in Gander Holdings Limited, a subsidiary undertaking, were outstanding. Of these O J Vaughan held 11,000,000 beneficially and 1,050,000 non-beneficially. T M James held the remaining 2,300,000 beneficially. The exercise price in each case was 3p per share and the exercise period ended on 31 December 2003. In addition A Graham held an option to subscribe for 500,000 shares in Gander Holdings Limited exercisable at 8.5p per share at any time before 13 August 2002. The warrants and options were cancelled on 9 November 1999 on acquisition of the Company by Orb Estates Plc.

On 8 July 1999, A Graham was awarded 3,000,000 options to subscribe for shares in the company, exercisable at 8.5p per share at any time up to 8 July 2009. The options were cancelled on 9 November 1999.

The interests of P M I Catto, C O Helvert and M. Higgins in the shares of Orb Estates Plc, its immediate parent undertaking and other group undertakings, are disclosed in the financial statements of Orb Estates Plc.

**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**DIRECTORS' REPORT**

**AUDITORS**

Chantrey Vellacott DFK resigned as auditors during the year, and Deloitte & Touche were appointed. Following the privatisation of the ultimate parent company the directors will be seeking the appointment of BDO Stoy Hayward as auditors at the next Annual General Meeting. Deloitte & Touche have indicated that they will not seek reappointment.

By order of the Board of Directors



C O Helvert  
Director

*30th day* 2001

**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**STATEMENT OF DIRECTOR'S 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 as at the end of the financial year and of the profit or loss of the Company for that year. 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 and explained in the financial statements; and
- 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 director is 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' REPORT TO THE MEMBERS OF  
GANDER PROPERTIES LIMITED  
(formerly Gander Properties Plc)**

We have audited the financial statements on pages 6 to 15 which have been prepared under the accounting policies set out on pages 9 and 10.

**Respective responsibilities of directors and auditors**

As described on page 4, the company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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 circumstances of the company, 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 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants and Registered Auditors  
Hill House,  
1 Little New Street  
London EC4A 3TR

30 MAY 2001

**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**PROFIT AND LOSS ACCOUNT**  
**For the year ended 30 June 2000**

	Note	2000 £'000	1999 £'000
<b>TURNOVER</b>	1,2	6,771	744
Cost of sales		(3,745)	(301)
<b>GROSS PROFIT</b>		<u>3,026</u>	<u>443</u>
Administrative expenses		(3,398)	(90)
<b>OPERATING (LOSS)/PROFIT</b>	4	<u>(372)</u>	<u>353</u>
Profit on sale of investment properties		8,043	-
Merger expenses		(136)	(392)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<u>7,535</u>	<u>(39)</u>
Investment income	6	2,710	-
Interest receivable and similar income	7	11	1
Amounts written off investments		(5,119)	-
Interest payable and similar charges	8	(2,360)	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>2,777</u>	<u>(38)</u>
Tax on profit/(loss) on ordinary activities	9	-	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION AND RETAINED PROFIT/(LOSS) FOR THE YEAR</b>	19	<u><u>2,777</u></u>	<u><u>(38)</u></u>



**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**For the year ended 30 June 2000**

	2000 £'000	1999 £'000
Profit/(loss) for the financial year	2,777	(38)
Unrealised surplus on revaluation of properties	1,200	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	3,977	(38)
	<hr/>	<hr/>

**NOTES OF HISTORICAL PROFITS AND LOSSES**  
**For the year ended 30 June 2000**

	2000 £'000	1999 £'000
Profit/(loss) on ordinary activities before taxation	2,777	(38)
Realisation of profit on disposal of investment	3,794	-
	<hr/>	<hr/>
Historical cost profit/(loss) on ordinary activities before and after taxation and dividends	6,571	(38)
	<hr/>	<hr/>

**GANDER PROPERTIES LIMITED**  
(formerly Gander Properties Plc)

**BALANCE SHEET**

**30 June 2000**

	Note	2000 £'000	1999 £'000
<b>FIXED ASSETS</b>			
Investment properties	10	4,600	59,709
Fixed asset investments	11	-	5,119
		<u>4,600</u>	<u>64,828</u>
<b>CURRENT ASSETS</b>			
Development properties	13	11,817	-
Debtors	14	50,451	139
Cash at bank and in hand		-	2
		<u>62,268</u>	<u>141</u>
<b>CREDITORS: amounts falling due within one year</b>	15	(2,916)	(55,618)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>59,352</u>	<u>(55,477)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>63,952</u>	<u>9,351</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	5,268	5,268
Share premium account	19	-	17,981
Revaluation reserve	19	1,812	4,406
Profit and loss account	19	56,872	(22,949)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	19	<u>63,952</u>	<u>4,706</u>
Called up share capital – deferred		-	4,645
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>63,952</u>	<u>9,351</u>

The financial statements on pages 6 to 14 were approved by the Board of Directors on <sup>30 MAY</sup> 2001 and were signed by:



C O Helvert

Director

**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**NOTES TO THE ACCOUNTS**  
**For the year ended 30 June 2000**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable Accounting Standards and a summary of the accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention, modified to include the revaluation of investment properties.

**Investment properties**

Investment properties are revalued annually by independent professional valuers and the aggregate surplus or deficit is transferred to revaluation reserve except for permanent diminutions in value below cost, which are written off to profit and loss account. No depreciation is provided in respect of investment properties. The requirement in the Companies Act 1985 that all properties should be depreciated conflicts with the generally accepted accounting principle set out in Statement of Standard Accounting Practice No.19. In the opinion of the directors, to depreciate investment properties would not give a true and fair view and accordingly investment properties are included in the financial statements at open market value. The effect of depreciation of value is already reflected annually in the valuation of properties, and the amount attributable to this factor cannot reasonably be separately identified or quantified.

**Other tangible fixed assets**

The cost of other fixed assets is their purchase cost together with any incidental costs of acquisition. They are depreciated at rates ranging from 15 to 25% per annum, calculated to write off, on the straight line basis, the cost to their residual value over their estimated useful lives.

**Investments**

Investments are stated at cost less any provision for impairment.

**Development properties**

Development properties are properties under development that are not presently intended to be retained in the Group's investment portfolio. Development properties are stated at the lower of cost and net realisable value. Cost includes the cost of acquisition, professional fees, construction costs and capitalised interest, but excludes overheads. Sales of development properties are recognised on exchange of contracts or if exchange is conditional, on the date all material conditions have been satisfied. During the construction period, profits are not recognised but provision is made for any foreseeable losses.

In the event that it is decided a development property will be retained as an investment, it is transferred to the Group's investment portfolio at the lower of cost and net realisable value at the date of transfer, and any loss dealt with in the profit and loss account.

**Operating leases**

Rentals payable under operating leases are charged to expenditure in equal annual amounts over the lease term.

**Deferred taxation**

Deferred tax is provided, using the liability method, in respect of the taxation effect of all material timing differences to the extent that in the directors' opinion, a liability is expected to arise in the foreseeable future.

**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**NOTES TO THE ACCOUNTS**  
**For the year ended 30 June 2000**

**1. ACCOUNTING POLICIES (continued)**

**Turnover**

Turnover, which excludes value added tax, represents the sale of development properties, rental and service charge income excluding value added tax. All turnover was derived in the United Kingdom. Sales of properties are reflected in the accounts if an unconditional contract is exchanged by the balance sheet date and the sale is completed before the date of approval of the accounts.

**2. ANALYSIS OF TURNOVER**

	2000 £'000	1999 £'000
Sale of development properties	3,742	-
Rental income and service charge receivables	3,029	744
Total turnover	<u>6,771</u>	<u>744</u>

**3. DIRECTORS, EMPLOYEES AND OTHER EXPENSES**

**Staff costs during the year**

	2000 £'000	1999 £'000
Wages and salaries	238	-
Social security costs	23	-
	<u>261</u>	<u>-</u>
Less: Recharged to fellow subsidiary undertaking	(110)	-
	<u>151</u>	<u>-</u>

	2000 Number	1999 Number
<b>Average number of persons employed</b>		
On site managers	2	-
Administration and management	4	-
Housekeepers	2	-
Chambermaids	5	-
On site security guards	2	-
	<u>15</u>	<u>-</u>
Recharged	(5)	-
	<u>10</u>	<u>-</u>

The directors did not receive any remuneration for their services to the company during the year (1999: £Nil).

**GANDER PROPERTIES LIMITED**  
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**NOTES TO THE ACCOUNTS**  
**For the year ended 30 June 2000**

**4. OPERATING (LOSS)/PROFIT**

Operating (loss)/profit has been arrived at after charging the following:

	2000 £'000	1999 £'000
Auditors remuneration paid to Chantrey Vellacott DFK:		
Audit work – prior year	29	-
Other services	14	-
Operating lease rentals – other	26	-
Waiver of intra-group balances	2,958	-
	<u>2,997</u>	<u>-</u>

The auditors' remuneration for the current year is for audit services only and is borne by Orb Estates Plc.

**5. MERGER EXPENSES**

	2000 £'000	1999 £'000
Merger expenses	136	392
	<u>136</u>	<u>392</u>

**6. INVESTMENT INCOME**

	2000 £'000	1999 £'000
Dividends received from subsidiary undertakings	2,710	-
	<u>2,710</u>	<u>-</u>

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2000 £'000	1999 £'000
Bank interest receivable	11	1
	<u>11</u>	<u>1</u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	2000 £'000	1999 £'000
Bank loan interest	119	-
Loan from parent company	2,235	-
Other interest	6	-
	<u>2,360</u>	<u>-</u>

**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**NOTES TO THE ACCOUNTS**  
**For the year ended 30 June 2000**

**9. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

There is no charge to corporation tax due to the availability of losses brought forward.

**10. INVESTMENT PROPERTIES**

	2000 £'000	1999 £'000
<b>Cost or valuation</b>		
At 1 July	59,709	-
Additions	38,626	55,303
Disposals	(94,935)	-
Revaluation surplus	1,200	4,406
	<hr/>	<hr/>
At 30 June	4,600	59,709
	<hr/>	<hr/>
Historical cost	2,788	55,303
	<hr/>	<hr/>

Investment properties are comprised wholly of freeholds.

The company's residential properties were valued at £4,600,000 as at 30 June 2000 by qualified professional valuers working for the company of DTZ Debenham Tie Leung, Chartered Surveyors acting in the capacity of independent valuers. All such valuers are Chartered Surveyors, being members of the Royal Institution of Chartered Surveyors.

All properties were valued on the basis of open market value in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

**11. FIXED ASSET INVESTMENTS**

	Shares in subsidiary undertaking  £'000	Total £'000
<b>Cost</b>		
At 1 July 1999	5,119	5,119
Provision for diminution in value for the year	(5,119)	(5,119)
	<hr/>	<hr/>
At 30 June 2000	-	-
	<hr/>	<hr/>
<b>Net book value</b>		
At 30 June 2000	-	-
	<hr/>	<hr/>
At 30 June 1999	5,119	5,119
	<hr/>	<hr/>

The investment in subsidiary undertakings represents its investment in 100% of the ordinary share capital of Gander Holdings Limited, a company incorporated and operating in Great Britain. The principal activities of Gander Holding Limited is property investment and management.

**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**NOTES TO THE ACCOUNTS**  
**For the year ended 30 June 2000**

**12. OTHER FIXED ASSETS**

	<b>Total £'000</b>
<b>Fixtures and fittings</b>	
Cost	
Additions	24
Disposals	(24)
	<hr/>
At 30 June 2000	<hr/> <hr/> -

**13. DEVELOPMENT PROPERTIES**

Capitalised interest included within development properties at 30 June 2000 is £394,248 (1999:£nil)

**14. DEBTORS**

	<b>2000 £'000</b>	<b>1999 £'000</b>
Trade debtors	2,631	65
Due from intermediate parent undertaking	47,688	-
Due from group undertakings	-	30
VAT recoverable	132	-
Prepayments	-	44
	<hr/>	<hr/>
	50,451	139
	<hr/> <hr/>	<hr/> <hr/>

No debtors are receivable after one year.

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2000 £'000</b>	<b>1999 £'000</b>
Bank overdraft	92	-
Amount due to group undertakings	1,430	54,885
Other creditors including tax and social security	199	400
Accruals and deferred income	1,195	333
	<hr/>	<hr/>
	2,916	55,618
	<hr/> <hr/>	<hr/> <hr/>

**16. CONTINGENT LIABILITIES**

The company's investment and development properties have been given as security against the borrowings of its immediate holding company, Orb Property Management Limited (formerly Orb Acquisitions Limited). At 30 June 2000, those borrowings amounted to £29,725,198.

**GANDER PROPERTIES LIMITED**  
(formerly Gander Properties Plc)

**NOTES TO THE ACCOUNTS**  
**For the year ended 30 June 2000**

**17. CALLED UP SHARE CAPITAL**

	2000 £'000	1999 £'000
<b>Authorised:</b>		
700,000,000 ordinary shares of 1p each	7,000	7,000
<b>Allotted, called up and fully paid:</b>		
526,763,907 ordinary shares of 1p each	5,268	5,268

**18. DEFERRED SHARES**

	Total £'000
At 1 July 1999:	
Authorised, allotted, called up and fully paid:	
46,501,000 deferred shares of 9.99p each	4,645
Cancellation of deferred shares by Court Order	(4,645)
At 30 June 2000	-

**19. RESERVES**

	Share capital £'000	Share premium account £'000	Deferred shares £'000	Revaluation reserve £'000	Profit and loss account £'000	Year ended 30 June 2000 Total £'000	Year ended 30 June 1999 Total £'000
Opening shareholders' funds	5,268	17,981	4,645	4,406	(22,949)	9,351	4,983
Cancellation of share premium account and deferred shares by Court Order	-	(17,981)	(4,645)	-	22,626	-	-
Realised revaluation reserve	-	-	-	(3,794)	3,794	-	-
Revaluation surplus	-	-	-	1,200	-	1,200	4,407
Profit for the year	-	-	-	-	2,777	2,777	(38)
Capital contribution from parent company	-	-	-	-	50,624	50,624	-
Closing shareholders' funds	5,268	-	-	1,812	56,872	63,952	9,352

On 11 August 1999, the High Court cancelled the company's share premium account and deferred shares.



**GANDER PROPERTIES LIMITED**  
**(formerly Gander Properties Plc)**

**NOTES TO THE ACCOUNTS**  
**For the year ended 30 June 2000**

**20. RELATED PARTY DISCLOSURES**

Except as stated in the paragraph below, the Company has taken advantage of the exemption granted by paragraph 3 (c) of the Financial reporting Standard No. 8 not to disclose related party transactions with other group companies.

T M James was a director up to 9 November 1999 and a significant minority shareholder in Farley and Co Limited, Estates Agents. Payments of £142,650 (1999 - £434,347) were made to Farley & Co Limited, on normal commercial terms, in respect of property management and other fees.

**21. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

Following the acquisition on 30 June 2000 of Orb Estates Plc by Orb Securities Limited (formerly Tabsie Ventures Limited), the directors now regard Orb Securities Limited, a company registered in the British Virgin Islands, as the company's ultimate parent company. Lynch Talbot Limited, a company registered in Jersey, owns the entire share capital of Orb Securities Limited, and acts as a general partner to a number of limited partnership funds. These funds are controlled by a number of high net worth individuals.

Orb Estates Plc is the UK parent undertaking and heads the largest and smallest group of undertakings of which the Company is a member and for which the group accounts are prepared. Copies of the accounts of Orb Estates plc may be obtained from Albemarle House, 1 Albemarle Street, London W1S 4HA.