

**Company Registration No 2792457**

**GANDER PROPERTIES LIMITED**

**Annual Report and Financial Statements**

**Year ended 30 June 2001**



# **GANDER PROPERTIES LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2001**

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# **GANDER PROPERTIES LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

### **DIRECTORS**

C O Helvert  
M Higgins

### **SECRETARY**

Walgate Services Limited  
25 North Row  
London W1K 6DJ

### **REGISTERED OFFICE**

Albemarle House  
1 Albemarle Street  
London W1S 4HA.

### **AUDITORS**

Arthur Andersen  
180 Strand  
London WC2R 1BL.

# **GANDER PROPERTIES LIMITED**

## **DIRECTORS' REPORT**

The directors present their report and the audited financial statements for the year ended 30 June 2001.

### **PRINCIPAL 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 5. The directors are considering future opportunities for the company.

### **DIVIDENDS**

The directors did not recommend the payment of a dividend in the current or preceding year.

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

The current directors are as stated on page 1.

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

M Higgins  
P Catto (resigned 12 March 2001)  
C O Helvert

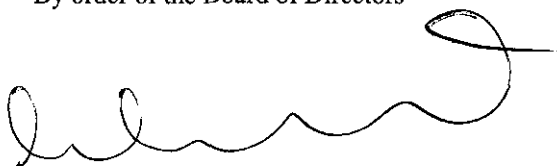
None of the directors had any interests in the shares of the Company in the current or preceding year.

The interests of M Higgins in the shares of Orb Estates Plc, its immediate parent undertaking, are disclosed in the financial statements of Orb Estates Plc. No other director had any beneficial interests requiring disclosure under Schedule 7 of the Companies Act 1985, either at the beginning or end of the current financial year.

### **AUDITORS**

Deloitte & Touche resigned as auditors during the period and Arthur Andersen were appointed as auditors. Arthur Andersen have confirmed their willingness to continue in the office as auditors of the company, and a resolution to reappoint them will be proposed at the Annual General Meeting.

By order of the Board of Directors



C O Helvert  
Director

22 March 2002

Albemarle House  
1 Albemarle Street  
London W1S 4HA.

**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 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 directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF GANDER PROPERTIES LIMITED**

We have audited the financial statements on pages 5 to 13 of Gander Properties Limited for the year ended 30 June 2001. These financial statements have been prepared under the accounting policies set out therein.

### **Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of directors' responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the annual report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' report and Statement of directors' responsibilities. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

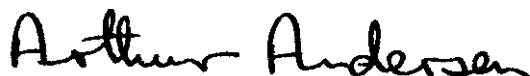
### **Basis of opinion**

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 judgments 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 affairs of the company at 30 June 2001 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**

**Chartered Accountants and Registered Auditors**

**180 Strand**

**London WC2R 1BL**

**22** March 2002

# GANDER PROPERTIES LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 30 June 2001

	Note	2001 £'000	2000 £'000
<b>TURNOVER</b>	1,2	18,216	6,771
Cost of sales		(12,415)	(3,745)
<b>GROSS PROFIT</b>		5,801	3,026
Administrative expenses		(69)	(3,398)
<b>OPERATING PROFIT/(LOSS)</b>		5,732	(372)
Profit on sale of fixed assets		2	-
(Loss)/profit on sale of investment properties		(88)	8,043
Merger expenses	5	-	(136)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		5,646	7,535
Investment income	6	-	2,710
Interest receivable	7	2	11
Amounts written off investments		-	(5,119)
Interest payable and similar charges	8	(1,109)	(2,360)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	4,539	2,777
Tax on profit on ordinary activities	9	(34)	-
<b>RETAINED PROFIT FOR THE YEAR</b>	17	4,505	2,777

All turnover was derived from discontinued operations.

The accompanying notes are an integral part of this profit and loss account.

## **GANDER PROPERTIES LIMITED**

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES** **For the year ended 30 June 2001**

	<b>2001</b> <b>£'000</b>	<b>2000</b> <b>£'000</b>
Profit for the financial year	4,505	2,777
Unrealised surplus on revaluation of properties	-	1,200
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>4,505</u>	<u>3,977</u>

### **NOTE OF HISTORICAL COST PROFITS AND LOSSES** **For the year ended 30 June 2001**

	<b>2001</b> <b>£'000</b>	<b>2000</b> <b>£'000</b>
Profit on ordinary activities before taxation	4,539	2,777
Realisation of profit on disposal of investment properties	1,812	3,794
	<hr/>	<hr/>
Historical cost profit on ordinary activities before taxation	6,351	6,571
	<hr/>	<hr/>
Historical cost profit for the year after taxation	<u>6,317</u>	<u>6,571</u>



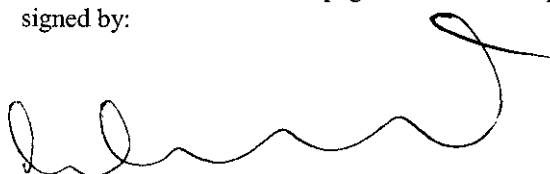
# GANDER PROPERTIES LIMITED

## BALANCE SHEET

30 June 2001

	Note	2001 £'000	2000 £'000
<b>FIXED ASSETS</b>			
Investment properties	10	-	4,600
Tangible fixed assets	11	-	-
Fixed asset investments	12	-	-
		<u>-</u>	<u>4,600</u>
<b>CURRENT ASSETS</b>			
Development properties	13	-	11,817
Debtors	14	68,836	50,451
		<u>68,836</u>	<u>62,268</u>
<b>CREDITORS: amounts falling due within one year</b>	15	(379)	(2,916)
<b>NET CURRENT ASSETS</b>		<u>68,457</u>	<u>59,352</u>
<b>NET ASSETS</b>		<u>68,457</u>	<u>63,952</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	5,268	5,268
Revaluation reserve	17	-	1,812
Profit and loss account	17	63,189	56,872
<b>EQUITY SHAREHOLDER'S FUNDS</b>	17	<u>68,457</u>	<u>63,952</u>

The financial statements on pages 5 to 13 were approved by the Board of Directors on 22 March 2002 and were signed by:



C O Helvert

Director

The accompanying notes are an integral part of this balance sheet.

**NOTES TO THE ACCOUNTS**

**For the year ended 30 June 2001**

**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 throughout the year and preceding year, 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. The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985 as it is a subsidiary of Orb Estates Plc which prepares consolidated accounts that are publicly available. On this basis the company is exempt from the requirement of Financial Reporting Standard 1 (Revised) to present a cash flow statement.

**Investment properties**

Investment properties are revalued annually by independent professional valuers and the aggregate surplus or deficit is transferred to the revaluation reserve except for permanent diminutions in value below cost, which are written off to the 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 is already reflected annually in the valuation of properties, and the amount attributable to this factor cannot reasonably be separately identified or quantified. Had the provision of the Act been followed, net assets would not have been affected but revenue profits would have been reduced for this and earlier years.

**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 33% 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 company'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 company'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 the profit and loss account in equal annual amounts over the lease term.

**Taxation**

Deferred tax is provided, using the liability method, in respect of the taxation effect of all material timing differences to the extent that it is probable that liabilities will arise in the foreseeable future.

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

# GANDER PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 30 June 2001

### 1. ACCOUNTING POLICIES (continued)

#### Turnover

Turnover, which excludes value added tax, represents the sale of development properties and rental income. 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

	2001 £'000	2000 £'000
Sale of development properties	18,216	3,742
Rental income	-	3,016
Total turnover	<u>18,216</u>	<u>6,758</u>

### 3. DIRECTORS, EMPLOYEES AND OTHER EXPENSES

#### Staff costs during the year

	2001 £'000	2000 £'000
Wages and salaries	-	238
Social security costs	-	23
	-	261
Less: Recharged to fellow subsidiary undertaking	-	(110)
	<u>-</u>	<u>151</u>

	2001 Number	2000 Number
Average number of persons employed		
On site managers	-	2
Administration and management	-	4
Housekeepers	-	2
Chambermaids	-	5
On site security guards	-	2
	-	15
Recharged	-	(5)
	<u>-</u>	<u>10</u>

The directors did not receive any remuneration for their services to the company during the year (2000: £Nil).

Administration is carried out by employees of other group companies in 2001.

# GANDER PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 30 June 2001

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation has been arrived at after charging the following:

	2001 £'000	2000 £'000
Operating lease rentals – land and buildings	13	13
Operating lease rentals – other	-	26
Auditors' remuneration		
- audit services	-	29
- non-audit services	-	14
Waiver of intra-group balances	-	2,950
	<u>          </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

	2001 £'000	2000 £'000
Merger expenses	-	136
	<u>          </u>	<u>          </u>

### 6. INVESTMENT INCOME

	2001 £'000	2000 £'000
Dividends received from group undertakings	-	2,710
	<u>          </u>	<u>          </u>

### 7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001 £'000	2000 £'000
Bank interest receivable	2	11
	<u>          </u>	<u>          </u>

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2001 £'000	2000 £'000
Bank loan interest	4	119
Loan from group undertakings	868	2,235
Other interest	24	6
Loan exit fees	213	-
	<u>          </u>	<u>          </u>
	1,109	2,360
	<u>          </u>	<u>          </u>

# GANDER PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 30 June 2001

### 9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2001 £'000	2000 £'000
Prior year	34	-

There is no charge to corporation tax on profits arising in the year due to the availability of losses brought forward and to group relief from group companies for which no payment is made.

### 10. INVESTMENT PROPERTIES

	2001 £'000 Freehold
<b>Valuation</b>	
At 1 July 2000	4,600
Disposals	(4,600)
At 30 June 2001	-

The historical cost of investment properties was nil (2000: £2,788,000).

### 11. OTHER TANGIBLE FIXED ASSETS

	2001 £'000 Fixtures and fittings
<b>Cost</b>	
At 1 July 2000	-
Additions	36
Disposals	(36)
At 30 June 2001	-

# GANDER PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 30 June 2001

### 12. FIXED ASSET INVESTMENTS

	Shares £'000	Total £'000
<b>Cost</b>		
At 1 July 2000 and 30 June 2001	5,119	5,119
Provision at 1 July 2000 and 30 June 2001	(5,119)	(5,119)
<b>Net book value</b>		
At 30 June 2000 and 30 June 2001	-	-

Details of the principal subsidiary (which is registered in England and Wales) is 100% owned:

Name	Place of operation	Principal Activity
Gander Holdings Limited	UK	Property investment and management

### 13. DEVELOPMENT PROPERTIES

Capitalised interest included within development properties at 30 June 2001 is £nil (2000: £394,248).

### 14. DEBTORS

	2001 £'000	2000 £'000
Trade debtors	-	2,631
Amounts due from group undertakings	68,746	47,688
Other debtors	90	132
	<u>68,836</u>	<u>50,451</u>

No debtors are receivable after one year.

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

	2001 £'000	2000 £'000
Bank overdraft	-	92
Amount due to group undertakings	-	1,430
Corporation tax	34	-
Other creditors including tax and social security	226	199
Accruals and deferred income	119	1,195
	<u>379</u>	<u>2,916</u>

# GANDER PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 30 June 2001

### 16. CALLED UP SHARE CAPITAL

	2001 £'000	2000 £'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

### 17. RESERVES AND RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	Share capital	Revaluation reserve	Profit and loss account	Year ended 30 June 2001 Total £'000	Year ended 30 June 2000 Total £'000
Opening shareholder's funds	5,268	1,812	56,872	63,952	9,351
Realised revaluation reserve	-	(1,812)	1,812	-	-
Revaluation surplus	-	-	-	-	1,200
Profit for the year	-	-	4,505	4,505	2,777
Capital contribution from parent company	-	-	-	-	50,624
Closing shareholder's funds	5,268	-	63,189	68,457	63,952

### 18. FINANCIAL COMMITMENTS

	Land and buildings		Other	
	2001 £'000	2000 £'000	2001 £'000	2000 £'000
Expiring over five years	13	13	-	-

### 19. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No.8 not to disclose related party transactions with other group companies.

### 20. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The directors 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 nominee to a number of limited companies. These companies are controlled by a number of high net worth individuals.

Orb Estates PLC, a company incorporated in Great Britain and registered in England and Wales, 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.