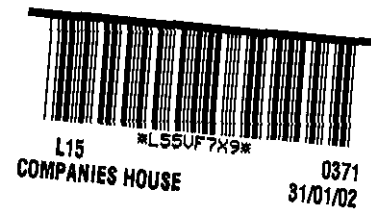


**SODESM PROPERTY LIMITED**

**Report and Financial Statements**

**31 December 2000**



Deloitte & Touche  
Leda House  
Station Road  
Cambridge CB1 2RN

18/01/02  
AC10spl9

**REPORT AND FINANCIAL STATEMENTS 2000**

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**REPORT AND FINANCIAL STATEMENTS 2000**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

Adrian J Pink  
Anthony J Thompson

**SECRETARY**

Temple Secretarial Limited

**REGISTERED OFFICE**

16 Old Bailey  
London  
EC4M 7EG

**BANKERS**

C Hoare & Co  
37 Fleet Street  
London  
EC4P 4DQ

**SOLICITORS**

Withers & Co  
16 Old Bailey  
London  
EC4M 7EG

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Leda House  
Station Road  
Cambridge  
CB1 2RN

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

### **ACTIVITIES**

The company's principal activity is property investment in the United Kingdom.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The company made a loss of £69,348 (1999 - loss of £116,774). The directors expect a similar level of activity in the year ahead, and the company's ultimate parent company has undertaken to provide the company with financial support.

### **DIVIDENDS**

The directors do not recommend the payment of a dividend.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served throughout the year were as follows:

Adrian J Pink  
Anthony J Thompson

Neither director held any beneficial interest in the shares of the company or other group companies at 1 January or 31 December 2000 or at any time during the year.

### **AUDITORS**

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.



### **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 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;
- 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. They 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.

Approved by the Board of Directors  
and signed on behalf of the Board

AS Thompson   
Director  
13 JANUARY 2002 



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SODESM PROPERTY LIMITED**

We have audited the financial statements of Sodesm Property Limited for the year ended 31 December 2000 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

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

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit 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 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 the company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and  
Registered Auditors

25 January 2002

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2000**

	Note	2000 £	1999 £
Turnover	2	512,501	454,950
Administrative expenses		469,911	467,676
<b>OPERATING PROFIT/(LOSS)</b>	4	<u>42,590</u>	<u>(12,726)</u>
Interest receivable and similar income		271	1,016
Interest payable and similar charges	5	<u>(128,453)</u>	<u>(105,064)</u>
		<u>(128,182)</u>	<u>(104,048)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(85,592)</u>	<u>(116,774)</u>
Tax on loss on ordinary activities	6	16,244	-
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(69,348)</u>	<u>(116,774)</u>
<b>Accumulated losses brought forward</b>		<u>(1,310,045)</u>	<u>(1,193,271)</u>
<b>Accumulated losses carried forward</b>		<u><u>(1,379,393)</u></u>	<u><u>(1,310,045)</u></u>

All activities derive from continuing operations.

There are no recognised gains or losses for the current financial year and the preceding financial year other than as stated in the profit and loss account.

**BALANCE SHEET**  
**31 December 2000**

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Tangible assets	7	4,321,384	4,611,228
Investments	8	560,309	545,800
		<u>4,881,693</u>	<u>5,157,028</u>
<b>CURRENT ASSETS</b>			
Debtors	9	1,538,939	933,029
Cash at bank and in hand		30,697	13,647
		<u>1,569,636</u>	<u>946,676</u>
<b>CREDITORS: amounts falling due within one year</b>	10	<u>7,830,720</u>	<u>7,413,747</u>
<b>NET CURRENT LIABILITIES</b>		<u>(6,261,084)</u>	<u>(6,467,071)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(1,379,391)</u>	<u>(1,310,043)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	2	2
Profit and loss account		(1,379,393)	(1,310,045)
<b>TOTAL EQUITY SHAREHOLDERS' DEFICIT</b>		<u>(1,379,391)</u>	<u>(1,310,043)</u>

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

23.1.2002

A J Thompson  
Director



**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Going concern**

The company's ultimate parent company has undertaken to provide the company with necessary financial support and accordingly the directors have prepared the financial statements on a going concern basis.

**Tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Long leasehold property	2% per annum
Fixtures, fittings and equipment	25% per annum

**Investments**

Investments held as fixed assets are stated at cost less provision for any impairment in value.

**Deferred taxation**

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

**Leases**

Rentals are charged to profit and loss in equal annual amounts over the lease term.

**2. TURNOVER**

Turnover comprises revenue from provision of property and services relating to Sodesm International Limited. The turnover, all of which arises in the United Kingdom, is attributable to the company's principal activity.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	2000 £	1999 £
<b>Directors' remuneration</b>		
Emoluments (excluding pension contributions)	-	-
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	28,402	26,023
Social security costs	2,932	3,037
	<u>31,334</u>	<u>29,060</u>
	No	No
<b>Number of persons employed:</b>		
Administration	<u>3</u>	<u>3</u>



**NOTES TO THE ACCOUNTS**  
Year ended 31 December 2000**4. OPERATING PROFIT/(LOSS)**

	2000 £	1999 £
Operating profit/(loss) is after charging:		
Depreciation		
Owned assets	290,320	274,405
Rentals under operating leases		
Land and buildings	-	34,650
Auditors' remuneration	8,190	7,800
	<u>          </u>	<u>          </u>

**5. INTEREST PAYABLE AND SIMILAR CHARGES**

	2000 £	1999 £
Bank loans and overdrafts	128,453	105,064
	<u>          </u>	<u>          </u>

**6. TAX ON LOSS ON ORDINARY ACTIVITIES**

	2000 £	1999 £
Group relief receivable	16,244	-
	<u>          </u>	<u>          </u>

The amounts of deferred tax provided in the financial statements and potential amounts not provided are as follows:

	Provided		Unprovided	
	2000 £	1999 £	2000 £	1999 £
Revenue losses	-	-	(93,613)	(85,592)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000****7. TANGIBLE FIXED ASSETS**

	Long leasehold property £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2000	4,591,382	793,848	5,385,230
Additions in year	-	476	476
	<hr/>	<hr/>	<hr/>
At 31 December 2000	4,591,382	794,324	5,385,706
	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>			
At 1 January 2000	200,485	573,517	774,002
Charge in year	91,828	198,492	290,320
	<hr/>	<hr/>	<hr/>
At 31 December 2000	292,313	772,009	1,064,322
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2000	4,299,069	22,315	4,321,384
	<hr/>	<hr/>	<hr/>
At 31 December 1999	4,390,897	220,331	4,611,228
	<hr/>	<hr/>	<hr/>

**8. INVESTMENTS HELD AS FIXED ASSETS**

	Antiques £
<b>Cost</b>	
At 1 January 2000	623,657
Additions in year	14,509
	<hr/>
At 31 December 2000	638,166
	<hr/>
<b>Provision for impairment in value</b>	
At 1 January 2000 and 31 December 2000	77,857
	<hr/>
<b>Net book value</b>	
At 31 December 2000	560,309
	<hr/>
At 31 December 1999	545,800
	<hr/>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 December 2000**

**9. DEBTORS**

	2000 £	1999 £
Amounts owed by fellow subsidiaries	1,459,583	909,259
Share capital unpaid	2	2
Prepayments and accrued income	79,354	23,768
	<u>1,538,939</u>	<u>933,029</u>

All amounts are due within one year.

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

	2000 £	1999 £
Bank overdraft	1,331,673	1,217,790
Amounts owed to group undertakings	6,436,127	6,136,127
Corporation tax	1,915	1,915
Other creditors	17,196	17,196
Accruals and deferred income	43,809	40,719
	<u>7,830,720</u>	<u>7,413,747</u>

There is an agreed bank overdraft facility of up to £1,100,000 which is repayable on demand. The bank has a legal charge, as security for the overdraft, over the long leasehold property.

**11. CALLED UP SHARE CAPITAL**

	2000 £	1999 £
Authorised:		
100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Called up, allotted and not paid:		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

**NOTES TO THE ACCOUNTS**  
Year ended 31 December 2000

**12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2000 £	1999 £
Loss attributable to members of the company	(69,348)	(116,774)
Opening shareholders' funds	<u>(1,310,043)</u>	<u>(1,193,269)</u>
Closing shareholders' funds	<u><u>(1,379,391)</u></u>	<u><u>(1,310,043)</u></u>

**13. ULTIMATE PARENT COMPANY**

In the opinion of the directors, the immediate and ultimate parent company is the ultimate controlling party of SODESM Property Limited, Power Corporation of Canada, a company incorporated under Canadian law.

Group accounts are available from 751 Victoria Square, Montreal H2Y 2J3, Canada.

**14. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption available under section 3 (c) of FRS 8 (Related Party Transactions) not to disclose details of transactions with fellow group companies.

**15. CONTINGENT LIABILITY**

The company's tax computations for the years ended 31 December 1996 to 1999 are subject to an enquiry by the Inland Revenue and have not yet been formally agreed. This enquiry may result in additional tax arising but the amount of the further liability, if any, cannot be determined at this time.