

# REGISTRAR OF COMPANIES

## **BLU Properties Limited**

Directors' Report and Accounts

Year Ended  
31st March 1999

Company Number: 3325066



**BDO Stoy Hayward**  
Chartered Accountants

## **BLU PROPERTIES LIMITED**

### **Report of the directors for the year ended 31st March 1999**

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The directors submit their Report and Accounts for the year ended 31st March 1999.

#### **Results and dividends**

The profit and loss account is set out on page 4 and shows the result for the period. An interim dividend of £Nil (1998 - £1,800,000) was paid during the year. The directors do not recommend the payment of a final dividend (1998 - £Nil).

#### **Principal activity**

The principal activity of the company is that of property investment.

#### **Review of the business**

Both the level of business during the year and the year end financial position were satisfactory.

#### **Year 2000**

The matters relating to the impact of the Year 2000 issue on the reporting systems and operations of the company are contained in the Directors' Report of the holding company, BL Universal PLC.

#### **Directors and their interests in share capital**

The directors of the company during the year were:

S Adam  
E. M. Barnes  
R. E. Bowden  
D. G. Bury \*  
M. I. Gunston \*  
D. Hinchley  
C. Metliss  
D. Morris \*  
D. Peltz  
D. A. Tyler \*

\* Alternate director

None of the directors at 31st March 1999 held any beneficial interest in the share capital of the company, or in its ultimate holding company.

## **BLU PROPERTIES LIMITED**

### **Report of the directors (*Continued*) for the year ended 31st March 1999**

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#### **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 of the profit or loss of the company for that year. In preparing those 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 the going concern basis unless it is inappropriate to presume that the company 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 company and to enable them to ensure that the accounts 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.

#### **Payment policy**

In the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment. As at 31st March 1999 the number of payment days outstanding was 2 (1998 – 21).

#### **Annual General Meeting**

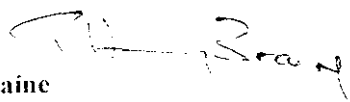
At the Annual General Meeting of the Company held on 18th December 1998 Elective Resolutions were passed to dispense with the following requirements:

- i to lay accounts and reports before a general meeting of the Company,
- ii to appoint auditors annually,
- iii to hold annual general meetings in the future.

#### **Auditors**

The auditors, BDO Stoy Hayward, are willing to continue in office.

This report was approved by the Board on 14th July 1999.

  
**A. Braine**  
Secretary

10 Cornwall Terrace  
Regent's Park  
London NW1 4QP

## **BLU PROPERTIES LIMITED**

### **Report of the auditors**

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#### **To the members of BLU Properties Limited**

We have audited the accounts on pages 4 to 11 which have been prepared on the basis of the accounting policies set out on page 7.

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

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

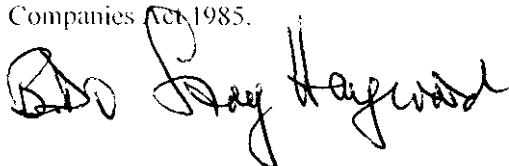
#### *Basis of opinion*

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 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 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 the company's affairs as at 31st March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD**

*Chartered Accountants  
and Registered Auditors  
London*

14th July 1999

**BLU PROPERTIES LIMITED****Profit and loss account  
for the year ended 31st March 1999**

	Note	1999 £	1998 £
<b>Turnover:</b>			
Gross rents	2	6,981,853	12,573,588
Less:			
Cost of turnover		(2,640,940)	(3,544,998)
Depreciation			(162,823)
<b>Gross profit</b>		4,340,913	8,865,767
Disposal of properties		927,315	3,836,126
Interest receivable	3	10,185	9,346
Interest payable	4	(3,671,857)	(7,366,507)
<b>Profit on ordinary activities before taxation</b>		1,606,556	5,344,732
Taxation	6	498,038	1,744,278
<b>Profit on ordinary activities after taxation</b>		1,108,518	3,600,454
Dividends	7		1,800,000
<b>Retained profit transferred to reserves</b>	12	1,108,518	1,800,454

The company's results all derive from continuing operations.

The notes on pages 7 to 11 form part of these accounts

**BLU PROPERTIES LIMITED****Other primary statements  
for the year ended 31st March 1999**

	<b>Note</b>	<b>1999 £</b>	<b>1998 £</b>
<b>Statement of total recognised gains and losses for the year ended 31st March 1999</b>			
<b>Profit for the year</b>		1,108,518	3,600,454
Taxation on realisation of prior year revaluation surpluses	6	(536,909)	
Revaluation of properties	8	677,872	4,555,092
<b>Total recognised gains and losses for the year</b>		<u>1,249,481</u>	<u>8,155,546</u>

**Note of historical cost profits and losses  
for the year ended 31st March 1999**

	<b>Note</b>	<b>1999 £</b>	<b>1998 £</b>
<b>Profit before taxation</b>		1,606,556	5,344,732
Realisation of property revaluation gains of previous years	12	1,731,963	
<b>Historical cost profit before taxation and dividends</b>		<u>3,338,519</u>	<u>5,344,732</u>
<b>Retained historical cost profit for the year</b>		<u>2,303,572</u>	<u>1,800,454</u>

The notes on pages 7 to 11 form part of these accounts

# **BLU PROPERTIES LIMITED**

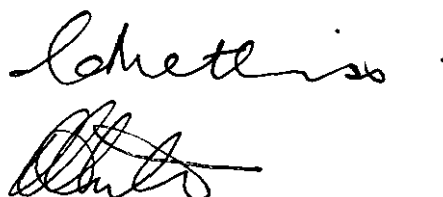
## **Balance sheet at 31st March 1999**

	Note	1999 £	1998 £
<b>Fixed assets</b>			
Properties	8	34,356,112	61,815,609
<b>Current assets</b>			
Debtors	9	553,355	1,042,987
Cash at bank			11,143
		<u>553,355</u>	<u>1,054,130</u>
<b>Creditors: due within one year</b>	10	27,304,439	56,514,192
		<u>27,304,439</u>	<u>56,514,192</u>
<b>Net current liabilities</b>		(26,751,084)	(55,460,062)
<b>Total assets less current liabilities</b>		<u>7,605,028</u>	<u>6,355,547</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Capital reserve - revaluation	12	3,501,001	4,555,092
Profit and loss account	12	4,104,026	1,800,454
		<u>7,605,028</u>	<u>6,355,547</u>
<b>Equity shareholders' funds</b>	13	<u>7,605,028</u>	<u>6,355,547</u>

All shareholders' funds are equity

The accounts were approved by the Board on 14th July 1999

C. Metliss )  
)  
) Directors  
D. Hinchley )



The notes on pages 7 to 11 form part of these accounts

## BLU PROPERTIES LIMITED

### Notes forming part of the accounts for the year ended 31st March 1999

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#### 1 Accounting policies

##### *(a) Accounting basis*

The accounts are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards.

##### *(b) Properties*

INVESTMENT PROPERTIES are independently valued each year on an open market basis. Any surplus or deficit arising is transferred to revaluation reserve, unless a deficit is expected to be permanent, in which case it is charged to the profit and loss account. The profit on disposal is based on book value.

In accordance with Statement of Standard Accounting Practice 19 no amortisation or depreciation is provided in respect of freehold or long leasehold properties. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view. The financial effect of the departure from these rules cannot reasonably be quantified as depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified. Where properties held for investment are appropriated to trading stock, they are transferred at market value.

Amortisation is provided on short leasehold properties so as to write off the cost or valuation of the assets over the unexpired period of the lease when that period is 20 years or less.

##### *(c) Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

On disposal of an investment property the element of tax relating to the Capital profit is charged to the profit and loss account and the element relating to earlier revaluation surpluses is included in the Statement of Total Recognised Gains and Losses.

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that directors consider that a liability to taxation is unlikely to crystallise in the foreseeable future.

#### 2 Turnover

Turnover is mainly gained from activities within the UK.

#### 3 Interest receivable

	1999 £	1998 £
External	10,185	9,346
	<u>          </u>	<u>          </u>



# **BLU PROPERTIES LIMITED**

Notes forming part of the accounts (*Continued*)  
for the year ended 31st March 1999

## **4 Interest payable**

	1999 £	1998 £
Group companies	3,671,857	7,366,507

## **5 Directors' emoluments**

There were no directors' emoluments during the year (1998 - £Nil).

There were no other employees during the year (1998 - Nil).

## **6 Taxation**

U.K. corporation tax	1,034,947	1,744,278
Less: Taxation on realisation of prior year revaluation surpluses, charged to the statement of total recognised gains and losses	(536,909)	
	498,038	1,744,278

## **7 Dividends**

Interim paid	1,800,000
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## **8 Properties**

	Freehold £	Long leasehold £	Short leasehold £	Total £
<i>Cost and valuation</i>				
At 1st April 1998	53,300,325	8,219,506	295,778	61,815,609
Additions	658,791	11,907		670,698
Disposals	(27,972,837)	(734,453)	(100,777)	(28,808,067)
Reclassification	2,162,457	(2,162,457)		
Revaluation	472,366	285,503	(79,997)	677,872
Valuation 31st March 1999	28,621,102	5,620,006	115,004	34,356,112

## BLU PROPERTIES LIMITED

Notes forming part of the accounts *(Continued)*  
for the year ended 31st March 1999

### 8 Properties *(Continued)*

Investment properties were valued by external valuers on the basis of open market value in accordance with the Statements of Asset Valuation Practice and Guidance Notes of The Royal Institution of Chartered Surveyors:

	£
External valuations:	
United Kingdom: Weatherall Green and Smith	34,356,112

The historical cost of properties was £31,020,409 (1998 - £57,423,340).

### 9 Debtors

	1999 £	1998 £
Trade debtors	375,437	715,416
Prepayments and accrued income	177,918	327,571
	553,355	1,042,987

All amounts fall due within one year.

### 10 Creditors: due within one year

Trade and other creditors	925,989	851,178
Corporation tax	1,656,375	1,686,428
Accruals and deferred income	1,067,899	1,860,479
Amounts owed to group companies - current account	23,559,128	51,888,038
Taxation and social security	95,048	228,069
	27,304,439	56,514,192

# **BLU PROPERTIES LIMITED**

Notes forming part of the accounts (*Continued*)  
for the year ended 31st March 1999

## **11 Share capital**

	Authorised		Allotted, called up and fully paid	
	1999	1998	1999	1998
	£	£	£	£
Ordinary shares of £1	1,000	1,000	1	1

## **12 Reserves**

	Capital reserve Revaluation £	Profit and loss account £
1st April 1998	4,555,092	1,800,454
Profit for the year		1,108,518
Revaluation of properties	677,872	
Taxation on prior year revaluation surpluses	(536,909)	
Realisation of prior year revaluation (net of tax)	(1,195,054)	1,195,054
31st March 1999	3,501,001	4,104,026

## **13 Reconciliation of movements in shareholders' funds**

	1999 £	1998 £
Profit for the year	1,108,518	3,600,454
Other recognised gains and losses	140,963	4,555,092
Dividends		(1,800,000)
Issued share capital		1
Net increase in shareholders' funds	1,249,481	6,355,547
Opening shareholders' funds	6,355,547	
Closing shareholders' funds	7,605,028	6,355,547

## **BLU PROPERTIES LIMITED**

**Notes forming part of the accounts (*Continued*)  
for the year ended 31st March 1999**

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### **14 Contingent liabilities**

It is estimated that under existing legislation, in the event of the realisation of the company's properties at book values, there would be a liability for tax of £803,000 (1998 - £1,048,000).

### **15 Capital commitments**

Capital commitments entered into but not provided for at the year end amounted to £167,000.

### **16 Related party transactions**

The company has taken advantage of the exemption granted to 90% subsidiaries not to disclose certain transactions with group companies under the provisions of Financial Reporting Standard 8.

### **17 Ultimate holding company**

The ultimate holding company is BL Universal PLC, a company registered in England and Wales, which is the parent undertaking of the smallest and largest group of which the company is a member.

Group accounts are available on request from 10 Cornwall Terrace, Regent's Park, London, NW1 4QP.