

Rialto No 4 Limited  
Annual report and financial statements  
for the year ended 31 July 2000

Registered Number 3455141



# Rialto No 4 Limited

## Annual report and financial statements

for the year ended 31 July 2000

### Contents

Directors' report for the year ended 31 July 2000.....	1
Auditors' report to the members of Rialto No 4 Limited.....	2
Profit and loss account for the year ended 31 July 2000 .....	3
Balance sheet as at 31 July 2000 .....	4
Notes to the financial statements for the year ended 31 July 2000.....	5

# **Rialto No 4 Limited**

## **Directors' report for the year ended 31 July 2000**

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

### **Principal activities and review of the business**

The principal activity of the company is housing development and construction.

The company made a loss for the current financial year but is expected to return to profitability in the foreseeable future.

### **Results and dividends**

The results for the year are set out in the profit and loss account on page 3. The directors do not recommend the payment of a dividend.

### **Directors**

The directors who served during the year were as follows:

J A Barham  
P G Ayton  
S C Potter

### **Directors' interests in shares**

None of the directors had an interest at any time during the year in the share capital of the company and, with the exception of Mr J A Barham, in the share capital of the holding company, Bayfordbury Holdings plc.

Mr J A Barham is a director of Bayfordbury Holdings plc and his interests in that company are disclosed in its directors' report.

### **Directors' responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year that 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 for that year.

The directors confirm that suitable accounting policies have been used and applied consistently and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 July 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and for preventing and detecting fraud and other irregularities.

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

**By order of the board**



**Company Secretary**

# Rialto No 4 Limited

## Auditors' report to the members of Rialto No 4 Limited

We have audited the financial statements on pages 3 to 8.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

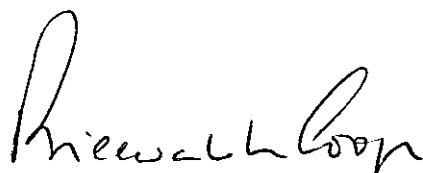
### Basis of audit opinion

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 the company's affairs at 31 July 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Cambridge

16 March 2001

## Rialto No 4 Limited

### Profit and loss account for the year ended 31 July 2000

	Note	2000 £	1999 £
<b>Turnover – continuing operations</b>	1	9,080,100	-
Changes in stocks of land and work-in-progress		(1,355,557)	-
Land acquisition and development expenditure		(2,131,593)	-
Construction expenditure		(5,376,745)	-
Sales expenditure and incentives		(343,117)	-
		(126,912)	-
Other operating charges		(24)	-
<b>Operating loss – continuing operations</b>		(126,936)	-
Interest payable and similar charges	3	-	-
<b>Loss on ordinary activities before taxation</b>		(126,936)	-
Tax on loss on ordinary activities	4	38,081	-
<b>Retained loss for the year</b>	10	(88,855)	-

The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

## Rialto No 4 Limited

### Balance sheet as at 31 July 2000

	Note	2000 £	1999 £
<b>Current assets</b>			
Stock	5	792,832	2,148,389
Debtors	6	2,142,541	1
		2,935,373	2,148,390
<b>Creditors: amounts falling due within one year</b>	7	(3,024,227)	(2,148,389)
<b>Net (liabilities)/assets</b>		(88,854)	1
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	(88,855)	-
<b>Equity shareholders' (deficit)/funds</b>	11	(88,854)	1

The financial statements on pages 3 to 8 were approved by the board of directors on 9 March 2001 and were signed on its behalf by:

Chairman



Finance Director



# **Rialto No 4 Limited**

## **Notes to the financial statements for the year ended 31 July 2000**

### **1 Principal accounting policies**

*The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the historical cost convention.*

#### **Basis of preparation**

These financial statements have been prepared on a going concern basis on the assumption that continuing support is provided by the parent company.

#### **Turnover**

Credit for sales to third parties is taken either on legal completion or upon receipt of all monies due under an unconditionally exchanged contract for sale.

Turnover is the total amount received on completion of sales to third parties and consists entirely of sales made in the United Kingdom.

#### **Land and development work-in-progress**

Land and development work-in-progress is valued at the lower of cost and net realisable value.

Cost comprises direct expenditure and attributable overheads according to the stage of construction reached.

#### **Deferred taxation**

Provision is made for deferred taxation using the liability method to recognise timing differences between profits stated in the financial statements and profits computed for taxation purposes where it is probable that the liability to taxation is likely to crystallise on such timing differences.

#### **Capitalisation of interest**

Interest incurred on developments that are financed by loans specifically arranged and secured on those developments is capitalised and included within work-in-progress.

Interest incurred on finance that does not relate to specific developments is written off as incurred.

#### **Cash flow**

The company is a wholly owned subsidiary of Bayfordbury Holdings plc and the cash flows of the company are included in the consolidated group cash flow statement of Bayfordbury Holdings plc. Consequently the company is exempt from the requirement to publish a cash flow statement.

### **2 Directors' emoluments and employees**

There are no employees of the company and the directors received no remuneration in respect of their services to the company.

## Rialto No 4 Limited

### 3 Interest payable and similar charges

	2000	1999
	£	£
Total interest payable on bank loans and overdrafts	285,930	70,807
Less: interest capitalised on developments	(285,930)	(70,807)
	-	-

### 4 Taxation

	2000	1999
	£	£
United Kingdom corporation tax at 20% (1999: 20.67%)		
Receivable for group relief	(38,081)	-
	(38,081)	-

### 5 Stocks

	2000	1999
	£	£
Land and development work-in-progress	792,832	2,148,389

Interest of £285,930 (1999: £70,807) was capitalised during the year in respect of specific loans on development sites.

### 6 Debtors

	2000	1999
	£	£
<b>Amounts falling due within one year</b>		
Amounts receivable for group relief	38,081	-
Amounts owed by group undertakings	2,104,459	-
Called up share capital not paid	1	1
	2,142,541	1



## Rialto No 4 Limited

### 7 Creditors: amounts falling due within one year

	2000	1999
	£	£
Loan	2,700,340	2,050,000
Amounts owed to group undertakings	-	27,582
Accruals and deferred income	323,887	70,807
	3,024,227	2,148,389

The loan is due for repayment by 31 July 2001. Security is by way of a charge over the development at Coppetts Wood. Interest is charged at 7%.

### 8 Provisions for liabilities and charges

#### Deferred taxation

Deferred taxation has not been provided in the financial statements, as there is neither an actual nor a potential liability.

### 9 Called up share capital

	2000	1999
	£	£
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up but not paid</b>		
1 ordinary share of £1	1	1

### 10 Profit and loss account

	£
At 1 August 1999	-
Retained loss for the year	(88,855)
At 31 July 2000	(88,855)

## Rialto No 4 Limited

### 11 Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Opening shareholders' funds	1	1
Retained (loss)/profit for the year	(88,855)	-
Closing shareholders' (deficit) /funds	(88,854)	1

### 12 Related party transactions

The company has taken advantage of the exemption available to 90% subsidiaries under Financial Reporting Standard No 8 "Related party disclosures" not to disclose transactions with other group companies.

The directors do not consider that the company entered into any transactions during the year with related parties which were not 90% subsidiaries of the ultimate parent company.

### 13 Ultimate holding company and ultimate controlling party

The company is a wholly owned subsidiary of Bayfordbury Holdings plc, a company registered in England. Copies of the parent's consolidated financial statements may be obtained from the Secretary, Bayfordbury Holdings plc, Bayfordbury, Lower Hatfield Road, Hertford, Hertfordshire, SG13 8EE.

The directors consider Mr J A Barham to be the ultimate controlling party of Bayfordbury Holdings plc.