

Property & Capital Group plc
Company Interim Accounts

8 months ended 31 December 1999

Registered Number 149799



GLA G06AQQA 0016
COMPANIES HOUSE 27/04/00

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Property & Capital Group plc

COMPANY PROFIT AND LOSS ACCOUNT for the 8 month period ended 31 December 1999

	<i>Notes</i>	<i>£</i>
TURNOVER (continuing operations)		310,000
OPERATING PROFIT (continuing operations)		273,791
Continuing operations:		
Write down of investments		(971,271)
Gain on disposal of investment properties		1,555,619
Interest payable	2	(98,861)
Dividend received		20,000
PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION	3	779,278
Dividends on non-equity shares		(7,200)
PROFIT FOR THE PERIOD		772,078

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Profit for the period	772,078
Total gains and losses recognised since last annual report	772,078

Property & Capital Group plc

COMPANY BALANCE SHEET at 31 December 1999

	Notes	£
FIXED ASSETS		
Tangible assets	6	36,784
Investments	7	779,025
		<u>815,809</u>
CURRENT ASSETS		
Debtors	8	11,948,592
Cash at bank		212,561
		<u>12,161,153</u>
CREDITORS		
Amounts falling due within one year	9	9,880,613
NET CURRENT ASSETS		<u>2,280,540</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,096,349</u>
CREDITORS		
Amounts falling due after more than one year	9	1,255,419
		<u>1,840,930</u>
CAPITAL AND RESERVES		
Called up share capital	10	228,600
Deferred consideration	11	192,551
Share premium account	11	653,251
Merger reserve	11	343,148
Profit and loss account	11	423,380
Shareholders' funds :		
Equity		1,690,930
Non-equity		150,000
		<u>1,840,930</u>

Approved by the Board



D R Macdonald
Director

26th April 2000

NOTES TO THE ACCOUNTS
at 31 December 1999

1 ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Investments

Investments are carried at the lower of cost or directors' valuations. In determining the valuation the directors have regard to, inter alia, the trading record and future prospects of the company and any recent transaction.

Turnover and cost of sales

Turnover represents fees for services excluding VAT in the normal course of business.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful life, as follows:

Leasehold improvements - over 15 years

Leasing

Assets obtained under finance leases are capitalised in the balance sheet and are depreciated over their useful lives. The interest elements of the rental obligations are charged to profit and loss account over the period of the lease and represent a constant portion of the balance and capital repayments outstanding. The capital elements of future obligations are included as liabilities in the balance sheet.

2 INTEREST PAYABLE

	£
Overdraft interest	21,139
Loan interest	44,172
Finance charges payable under finance leases	2,137
Loan stock interest	23,413
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	90,861

3 PROFIT ON ORDINARY ACTIVITIES BEFORE AND AFTER TAXATION

	£
Loss on ordinary activities before taxation is stated after charging:	
Auditors' remuneration	
- audit services	10,000
- non-audit services	58,233
Depreciation of owned fixed assets	1,842
Depreciation of assets held under finance leases	6,119
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Property & Capital Group plc

NOTES TO THE ACCOUNTS at 31 December 1999

4 TAXATION

There is no tax charge for the current year due to previous losses incurred and the resulting tax losses are being carried forward.

5 DIVIDENDS

	£
Non-equity dividends on preference shares	7,200

6 TANGIBLE FIXED ASSETS

<i>Company</i>	<i>Leasehold improvements</i>
	£
Cost:	
At 1 st May 1999	58,995
Additions	1,880
Disposals	-
	60,875
Depreciation:	
At 1 st May 1999	16,130
Charge for period	7,961
Disposals	-
At 31 December 1999	24,091
Net book value:	
At 31 December 1999	36,784
At 30 th April 1999	42,865

At 31 December 1999 the net book value and depreciation charge of group tangible assets acquired under finance leases were as follows

	<i>Leasehold improvements</i>
	£
Net book value	12,238
Depreciation charge for period	6,119

Property & Capital Group plc

NOTES TO THE ACCOUNTS at 31 December 1999

7 INVESTMENTS

	<i>Subsidiary undertakings</i> £	<i>Joint ventures</i> £	<i>Unlisted investments</i> £	<i>Total</i> £
Cost:				
At 1 st May 1998	3,032,446	50,754	499,933	3,583,133
Additions	104	-	10,620	10,724
Disposals	-	-	-	-
At 30 th April 1999	3,032,550	50,754	510,553	3,593,857
Provision for diminution in value:				
At 1 st May 1999	-	-	409,188	2,814,832
Provided during the year	-	-	-	-
At 31 st December 1999	2,405,644	-	409,188	2,814,832
Net book value:				
At 31 st December 1999	626,906	50,754	101,365	779,025
At 30 th April 1999	626,802	50,754	90,745	768,301

8 DEBTORS

	£
Trade debtors	10,911,283
Prepayments and accrued income	12,360
Amount due from subsidiaries	1,015,129
Other debtor	9,820
	11,948,592

9 CREDITORS

	£
Amounts due within one year:	
Trade creditors	165,683
Accruals and deferred income	323,882
Other taxation and social security costs	18,046
Accrued preference dividends	24,000
Amounts due to subsidiaries	9,268,818
Short term loans	53,700
Other creditors	11,424
Finance lease obligations	15,060
	9,880,613

Property & Capital Group plc

NOTES TO THE ACCOUNTS at 31 December 1999

Amounts due after more than one year:

	£
Subordinated loans:	
In more than one year but less than two	685,000
Finance lease obligations:	
In more than one year but less than two	17,072
Loan stock:	
In more than two years but less than five	553,347
	<u>1,255,419</u>

10 CALLED UP SHARE CAPITAL

	1999
	£
Authorised:	
5,000,000 ordinary shares of 2 pence each	100,000
200,000 cumulative 8% redeemable preference shares of £1 each	200,000
	<u>300,000</u>
	£
Allotted, issued, and fully paid:	
3,930,005 ordinary shares of 2 pence each	78,600
150,000 cumulative 8% redeemable preference shares of £1 each	150,000
	<u>228,600</u>

The preference shares carry no votes at meetings unless the dividend thereon is six months or more in arrears. On a winding up of the company the preference shareholders have a right, in priority to any other class of share, to repayment of the capital paid up and any accrued preference dividend. The shares are redeemable at par on 31st December 2000 or earlier at the company's option. Dividends are now over six months in arrears and consequently the preference shareholders now have voting rights equal to one vote per preference share of £1 each. At 31 December 1999 the arrears of dividend amounted to £24,000.

At 31 December 1999 the following options were outstanding:

- An option granted to Sir Robin Duthie the former chairman of the group, on 12th April 1995 over 12,500 ordinary shares at 2 pence. The option is exercisable at any time until 11th April 2000.
- Options granted in previous years to senior executives (but not directors) of the group:
- To subscribe for 65,000 ordinary shares at £2.30, exercisable over seven years until 16th June 2003.
- To subscribe for 26,000 ordinary shares at the AIM admission price of £2.00, exercisable over five years until 31st December 2001, dependent on continuing service.

Property & Capital Group plc

NOTES TO THE ACCOUNTS at 31 December 1999

11 RESERVES

	<i>Share premium £</i>	<i>Preference dividend reserve</i>	<i>Merger reserve £</i>	<i>Profit and loss account £</i>
At 1 st May 1999	653,251	16,800		(898,873)
Profit for period	-	-	-	772,078
Shares issued in exchange for shares	-	-	893,323	
Reclassified to creditors	-	(16,800)	-	-
Release of merger reserve on disposal of PCG Fulham Properties	-	-	550,175	550,175
At 31 December 1999	<u>653,251</u>	<u>-</u>	<u>343,148</u>	<u>423,380</u>

The deferred consideration of £192,551 is due to be satisfied by the issue of ordinary shares of 2p each at a price of £2.60.

12 RECONCILIATION OF SHAREHOLDERS' FUNDS

	<i>1999 £</i>
Profit attributable to members of the parent company	779,278
Dividends	(7,200)
New shares issued	901,235
Dividend creditor reclassified	(16,800)
Total movements during the year	<u>1,656,513</u>
Shareholders' funds at 1 st May 1999	<u>184,417</u>
Shareholders' funds at 31 December 1999	<u><u>1,840,930</u></u>

13 GUARANTEES AND FINANCIAL COMMITMENTS

No capital expenditure was contracted for at the period end.