Company Registration No. 2217421 (England and Wales)

# G N BURGESS PROPERTIES LIMITED

## REPORT AND FINANCIAL STATEMENTS

## 31 MARCH 2000



## G N BURGESS PROPERTIES LIMITED

## COMPANY INFORMATION

| | |
|---|---|
| **Directors** | J N Burgess<br>A G Yorath |
| **Secretary** | A G Yorath |
| **Registered office** | Fairfax House<br>Fulwood Place<br>Gray's Inn<br>London WC1V 6UB |
| **Registered number** | 2217421 |
| **Registered auditors** | Saffery Champness<br>Fairfax House<br>Fulwood Place<br>Gray's Inn<br>London WC1V 6UB |
| **Bankers** | National Westminster Bank Plc<br>275 - 277 High Street<br>Hounslow<br>Middlesex TW3 1EG |

**G N BURGESS PROPERTIES LIMITED**

**DIRECTORS' REPORT**
**FOR THE YEAR ENDED 31 MARCH 2000**

---

The directors submit their report and financial statements for the year ended 31 March 2000.

**Results and dividends**
The profit for the year after taxation was £357,828. After payment of dividends on the 12% cumulative preference shares totalling £21,600 there is a balance of £336,228 to be added to reserves.

**Review of the business**
The principal activity of the company during the year was property management.

Rental income in the current year totalled £582,179, rising to £705,000 in the year to 31 March 2001.

Pre-tax profit of £610,000 is forecast for the current year with bank borrowings reduced to £1m by 31 March 2001.

Agreement has now been reached with the Inland Revenue on the split between revenue and capital of cleaning costs incurred in the year to 31 March 1998 and 1999. This has resulted in an additional charge to taxation of £25,463.

**Tangible fixed assets**
The movements in fixed assets are shown in note 7 to these financial statements.

**Directors**
The directors who served during the period and their interests in the share capital of the company were as follows:

| | Ordinary shares of £1 each | | Preference shares of £1 each | |
|---|---|---|---|---|
| | **31.3.00** | **31.3.99** | **31.3.00** | **31.3.99** |
| A G Yorath | 180,000 | 180,000 | 2,000 | 2,000 |
| J N Burgess | 180,000 | 180,000 | - | - |

There are no schemes to benefit the directors by enabling them to buy shares in or debentures of the company.

**Directors responsibilities**
Company law requires the directors to prepare financial statements for each financial period 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 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.

**Auditors**
A resolution to re-appoint Saffery Champness as auditors will be put to the members at the Annual General Meeting.

By order of the board



.....
A G Yorath
Secretary

18 / 12 / 2000

**G N BURGESS PROPERTIES LIMITED**

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS FOR THE YEAR ENDED 31 MARCH 2000**

---

We have audited the financial statements on pages 4 to 12.

**Respective responsibilities of directors and auditors**
As described in the directors' report on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 affairs of the company as at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Saffery Champness**

Chartered Accountants
Registered Auditors

Fairfax House
Fulwood Place
Gray's Inn
London
WC1V 6UB

12.12 2000

**G N BURGESS PROPERTIES LIMITED**

**PROFIT AND LOSS ACCOUNT**
**FOR THE YEAR ENDED 31 MARCH 2000**

| | Note | 2000 £ | 1999 £ |
|---|---|---|---|
| **Turnover** | 1 | 582,179 | 523,199 |
| Administrative expenses | | (21,495) | (34,458) |
| Exceptional item: Cleaning site for development | | - | (21,527) |
| **Operating profit** | | 560,684 | 467,214 |
| Interest payable | 2 | (85,393) | (77,699) |
| Exceptional item: Surplus arising on revaluation of investment properties | | - | 500,589 |
| **Profit on ordinary activities before taxation** | 3 | 475,291 | 890,104 |
| Taxation | 4 | (117,463) | (68,232) |
| **Profit for the financial year** | | 357,828 | 821,872 |
| Dividends | 6 | (21,600) | (19,200) |
| **Retained profit for the financial year** | 12 | 336,228 | 802,672 |

The notes on pages 7 to 12 form part of these financial statements.

G N BURGESS PROPERTIES LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2000

| | Note | 2000 £ | 1999 £ |
|---|---|---|---|
| Profit for the financial year | | 357,828 | 821,872 |
| Unrealised surplus arising on revaluation of investment properties | 7 | - | 564,408 |
| **Total recognised gains and losses relating to the year** | | 357,828 | 1,386,280 |

## NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2000

| | Note | 2000 £ | 1999 £ |
|---|---|---|---|
| Reported profit on ordinary activities before taxation | | 475,291 | 890,104 |
| Surplus arising on revaluation of investment properties | 7 | - | (500,589) |
| **Historical cost profit on ordinary activities before taxation** | | 475,291 | 389,515 |

The notes on pages 7 to 12 form part of these financial statements.

**G N BURGESS PROPERTIES LIMITED**

**BALANCE SHEET**
**AT 31 MARCH 2000**

| | Note | 2000 | | 1999 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Fixed assets** | | | | | |
| Tangible fixed assets | 7 | | 7,250,000 | | 7,250,000 |
| **Current assets** | | | | | |
| Debtors | 8 | 34,410 | | 33,063 | |
| Cash at bank | | - | | 8,404 | |
| | | 34,410 | | 41,467 | |
| **Current liabilities** | | | | | |
| Creditors: Amounts falling due within one year | 9 | (1,766,754) | | (1,710,039) | |
| **Net current liabilities** | | | (1,732,344) | | (1,668,572) |
| **Total assets less current liabilities** | | | 5,517,656 | | 5,581,428 |
| Creditors: Amounts falling due after more than one year | 10 | | (400,000) | | (800,000) |
| | | | 5,117,656 | | 4,781,428 |
| **Capital and reserves** | | | | | |
| Called up share capital | 11 | | 2,000,000 | | 2,000,000 |
| Investment revaluation reserve | 12 | | 564,408 | | 564,408 |
| Profit and loss account | 12 | | 2,553,248 | | 2,217,020 |
| **Shareholders' funds** | 13 | | 5,117,656 | | 4,781,428 |

On behalf of the board of directors

J N Burgess
Director

18-12-2000

The notes on pages 7 to 12 form part of these financial statements.

## ACCOUNTING POLICIES
## FOR THE YEAR ENDED 31 MARCH 2000

**A Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and in accordance with applicable accounting standards.

**B Turnover**

Turnover consists of rents receivable during the year stated net of value added tax.

**C Tangible fixed assets**

Investment properties are valued annually, on an open market basis, with any resulting surplus or deficit shown as a movement on the investment revaluation reserve unless the total of the investment revaluation reserve is insufficient to cover the deficit, in which case the amount by which the deficit exceeds the amount available in the revaluation reserve is charged to revenue reserves. Any subsequent reversal of an earlier deficit (charged to the profit and loss account in that period) on an individual investment property will be credited to the profit and loss account. Investment properties are not depreciated. The requirement of the Companies Act 1985 is to depreciate all fixed assets which have a limited useful economic life but that requirement conflicts with the generally accepted accounting principle set out in SSAP 19 relating to investment properties.

**D Deferred taxation**

Provision is made, using the liability method, for taxation in respect of items where there is a timing difference between their treatment in the financial statements and for taxation purposes if it is probable that a material tax liability or asset will crystallise in the foreseeable future.

## 1 Turnover

| | 2000 £ | 1999 £ |
|---|---|---|
| The whole of the company's results relate to continuing operations and are derived wholly from activities in the UK. | | |
| Rent receivable | 582,179 | 523,199 |

## 2 Interest payable

| | 2000 £ | 1999 £ |
|---|---|---|
| On bank loan | 70,187 | 63,898 |
| Bank overdraft | 6,932 | 13,801 |
| On other loan | 8,274 | - |
| | 85,393 | 77,699 |

## 3 Profit on ordinary activities before taxation

| | 2000 £ | 1999 £ |
|---|---|---|
| Profit on ordinary activities before taxation is stated after charging: | | |
| Auditors' remuneration | 3,000 | 2,000 |

## 4 Taxation

| | 2000 £ | 1999 £ |
|---|---|---|
| UK Corporation tax on the profit for the year at 23% (1999: 22%) | 92,000 | 69,000 |
| (Over)/underprovision in prior year | 25,463 | (768) |
| | 117,463 | 68,232 |

The current taxation charge for the year has been reduced by £27,985 (1999: £26,521) due to capital allowances exceeding deprecation.

## 5 Directors' remuneration

The directors received no remuneration from the company.

| 6 Dividends | 2000 £ | 1999 £ |
|---|---|---|
| Non-Equity | | |
| 12% Cumulative Preference Shares of £1 each | | |
| Dividends: | | |
| - 1. 7.1999 | 5,400 | 4,800 |
| - 1.12.1999 | 5,400 | 4,800 |
| - 1.12.1999 | 5,400 | 4,800 |
| - 1. 3.2000 | 5,400 | 4,800 |
| | 21,600 | 19,200 |

| 7 Tangible fixed assets | 2000 £ | 1999 £ |
|---|---|---|
| **Investment properties** | | |
| At valuation on 1 April 1999 | 7,250,000 | 5,350,141 |
| Additions at cost | - | 834,862 |
| Revaluation surplus | | |
| - Investment Revaluation Reserve | - | 564,408 |
| - Profit and Loss Account | - | 500,589 |
| **At valuation on 31 March 2000** | 7,250,000 | 7,250,000 |
| **On an historical cost basis** | 6,685,592 | 6,685,592 |

The directors have considered the property valuation and feel that there has not been a material change in the year.

No depreciation is provided in respect of investment properties, as stated in the accounting policy note. The directors consider that this policy results in the financial statements showing a true and fair view as depreciation is reflected in the open market valuation of these properties and cannot be separately quantified.

| 8 Debtors | 2000 £ | 1999 £ |
|---|---|---|
| Due within one year: | | |
| Trade debtors | 34,410 | 33,063 |

| 9 Creditors | 2000 £ | 1999 £ |
|---|---|---|
| Amounts falling due within one year: | | |
| Current instalments due on loans (note 10) | 400,000 | 200,000 |
| Bank overdraft | 311,579 | 1,200,000 |
| Other loan deposits | 750,000 | - |
| Corporation tax | 99,000 | 64,200 |
| Other taxation | 32,347 | 10,324 |
| Other creditors | 160,649 | 129,164 |
| Accruals | 13,179 | 106,351 |
| | 1,767,154 | 1,710,039 |

The bank borrowing is planned to be repaid by 2008. However it is repayable on demand and secured by a mortgage debenture and charges on certain freehold land and buildings owned by the company. Interest is charged at the rate of 1.5% above National Westminster Bank Plc base rate.

The other loan deposits have been made to the company by persons related to the directors. They are repayable on demand and carry interest at 1% above National Westminster Bank Plc base rate. Full details are shown in note 14.

| 10 Creditors | 2000 £ | 1999 £ |
|---|---|---|
| Amounts falling due after more than one year: | | |
| Interest-free loans (unsecured) | 800,000 | 1,000,000 |
| Amounts to be repaid within one year (note 9) | (400,000) | (200,000) |
| | 400,000 | 800,000 |

The interest-free loans are repayable over seven years by quarterly instalments which commenced on 30 April 1997; it is now planned to repay the loans in full by January 2002.

| 11 Share capital | 2000 £ | 1999 £ |
|---|---|---|
| Authorised, allotted, called up and fully paid: | | |
| Equity: | | |
| 1,800,000 Ordinary Shares of £1 each | 1,800,000 | 1,800,000 |
| Non-equity: | | |
| 200,000 12% Cumulative Preference Shares of £1 each | 200,000 | 200,000 |
| | 2,000,000 | 2,000,000 |

**11 Share capital** (continued)

The holders of the ordinary shares have one vote for each share held; and any dividend or amounts of return of capital upon a winding up paid to ordinary shareholders as a class shall be divided between them pro-rata to their respective shareholdings.

The holders of the 12% cumulative preference shares have no right to receive notice, or attend, speak or vote at any general meeting of the company. Their entitlement to income and capital on a winding-up rank ahead of the ordinary shares. Their right to annual dividends is at 12% of the nominal value of the shares held; and on any return of capital on a winding up they shall be entitled to a sum equal to the nominal capital paid up on each share.

**12 Reserves**

| | Investment revaluation reserve £ | Profit and loss account £ | Total £ |
|---|---|---|---|
| Balance at 1 April 1999 | 564,408 | 2,217,020 | 2,781,428 |
| Retained profit for the year | - | 336,228 | 336,228 |
| **Balance at 31 March 2000** | 564,408 | 2,553,248 | 3,117,656 |

| **13 Reconciliation of movements in Shareholders' funds** | **2000 £** | **1999 £** |
|---|---|---|
| Profit on ordinary activities after taxation | 357,828 | 821,872 |
| Surplus arising on revaluation | - | 564,408 |
| Dividends | (21,600) | (19,200) |
| Net addition to shareholders' funds | 336,228 | 1,367,080 |
| Opening shareholders' funds | 4,781,428 | 3,414,348 |
| Closing shareholders' funds | 5,117,656 | 4,781,428 |
| Equity shareholders' funds | 4,917,656 | 4,581,428 |
| Non-equity shareholders' funds | 200,000 | 200,000 |
| **Closing shareholders' funds** | 5,117,656 | 4,781,428 |

**14 Directors' interests**

The directors are shareholders of G N Burgess & Company Limited.

| During the year ended 31 March 2000 transactions with that company were as follows | **2000 £** | **1999 £** |
|---|---|---|
| Rents received by G N Burgess Properties Limited | 389,173 | 300,000 |

## 15 Related party transactions

The company has been controlled throughout the year by its ultimate parent undertaking, the Trustees of the Burgess Settlement.

Throughout the year, the company had the following interest free loans:

| | A G Yorath £ | Trustees of the M Burgess Settlement £ | G N B Investments Limited £ |
|---|---|---|---|
| Balance at 31 March 2000 | 80,000 | 240,000 | 480,000 |
| Balance at 31 March 1999 | 100,000 | 300,000 | 600,000 |
| Relationship to the company: | Director | Controlled by Trustees of the Burgess Settlement | Controlled by Trustees of the Burgess Settlement |

Loans have been made to the company as follows:

| Name | Relationship | Loan £ | Date made | Interest £ |
|---|---|---|---|---|
| B J Yorath | Wife of director | 100,000 | 22 July 1999 | 4,490 |
| F J Clarke | Father-in-law of director | 50,000 | 22 November 1999 | 1,184 |
| M Burgess | Wife of director | 350,00 | 16 March 2000 | 1,007 |
| J Davies | Sister of director | 250,000 | 21 March 2000 | 336 |