

FIRST TOWER LP(7) LIMITED

DIRECTOR'S REPORT AND ACCOUNTS

FOR THE PERIOD 11 OCTOBER 1996 TO 31 DECEMBER 1996

(Company Number SC127807)

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**FIRST TOWER LP(7) LIMITED**

**DIRECTOR'S REPORT AND ACCOUNTS**

**FOR THE PERIOD 11 OCTOBER 1996 TO 31 DECEMBER 1996**

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**FIRST TOWER LP(7) LIMITED**

**REPORT OF THE DIRECTOR**  
**FOR THE PERIOD 11 OCTOBER 1996 TO 31 DECEMBER 1996**

1. The director presents herewith the audited accounts for the period from 11 October 1996 to 31 December 1996.

**Principal activity and review of business**

2. The company owns an interest as a limited partner in the First Tower Limited Partnership ("the Partnership"), an entity which holds a beneficial leasehold interest in office accommodation.
3. Both the level of business and the year end financial position were satisfactory, and the director expects that the present level of activity will be sustained for the foreseeable future.

**Results**

4. The profit and loss account for the period is set out on page 5. The retained loss for the period of £144 (prior period profit £29) has been transferred to reserves.

**Dividend**

5. The director does not recommend the payment of a dividend in respect of the period (prior period £Nil).

**Director**

6. The director of the company who served during the period ended 31 December 1996 was Mr R S Heels.

**Director's interests**

7. According to the register required to be kept under Section 325 of the Companies Act 1985, the interests of the director of the company at 31 December 1996 and at the beginning of the period, in the shares of the company's parent undertaking were as follows:

**Number of ordinary shares of 10p each**

	<b><u>Beneficial holdings</u></b>		<b><u>Share options</u></b>	
	31 December <u>1996</u>	11 October <u>1996</u>	31 December <u>1996</u>	11 October <u>1996</u>
R S Heels	<u>26,600</u>	<u>26,568</u>	<u>81,265</u>	<u>81,265</u>

8. The above options are exercisable at various dates before 2005 at prices ranging between 75.2p and 450p per ordinary share. During the period Mr R S Heels was neither granted nor exercised any share options. Mr R S Heels has exercised 3,989 shares at 75.2p since the year end.
9. Mr R S Heels did not have any interest in the shares of the company or any other group company, except as disclosed above.

**FIRST TOWER LP(7) LIMITED**

**REPORT OF THE DIRECTOR**

**FOR THE PERIOD 11 OCTOBER 1996 TO 31 DECEMBER 1996 (continued)**

**Income and Corporation Taxes Act 1988**

10. In the opinion of the director, the close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the company. There have been no changes in this respect since 31 December 1996.

**Charitable and political donations**

11. During the period the company did not make any charitable or political donations (prior period £Nil).

**Insurance of directors**

12. The parent undertaking maintains insurance for the company's director in respect of his duties as a director.

**Payment policy**

13. The company complies with the CBI Prompt Payers Code and has registered its support. The company agrees terms and conditions for its business transactions with suppliers in advance and payment is made on these terms, subject to the terms and conditions being met by the supplier. A copy of the Code can be obtained from the Company's registered office.

**Auditors**

14. A resolution to reappoint Coopers & Lybrand as the company's auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



Secretary

3 March 1997

Registered office:

Saltire Court  
20 Castle Terrace  
EDINBURGH  
EH1 2 EN

**FIRST TOWER LP(7) LIMITED**

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director to prepare accounts 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 accounts, the director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

BY ORDER OF THE BOARD



P A Vevers  
Secretary  
3 March 1997

**FIRST TOWER LP(7) LIMITED**

**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**FIRST TOWER LP(7) LIMITED**

We have audited the accounts on pages 5 to 9.

**Respective responsibilities of director and auditors**

As described on page 3 the company's director is 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 director 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 at 31 December 1996 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Coopers & Lybrand  
Chartered Accountants and Registered Auditors

LEEDS

3 March 1997

**FIRST TOWER LP(7) LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD 11 OCTOBER 1996 TO 31 DECEMBER 1996**

	Notes	11 weeks ended 31 Dec <u>1996</u> £	14 weeks ended 10 Oct <u>1996</u> £
Administrative expenses:			
Premium payable on assignment of creditors		-	(103,331)
Other administrative expenses	2	(200)	-
		<hr/>	<hr/>
Operating loss		(200)	(103,331)
Income from interest in fixed asset investment	1(d)	56	209,887
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before interest		(144)	106,556
Interest payable - other loans		-	(103,937)
		<hr/>	<hr/>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(144)	2,619
Taxation on profit on ordinary activities	3	-	-
		<hr/>	<hr/>
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(144)	2,619
Dividend paid on ordinary shares		-	(2,590)
		<hr/>	<hr/>
RETAINED (LOSS)/PROFIT FOR THE PERIOD		<u>(144)</u>	<u>29</u>

**STATEMENT OF RETAINED (LOSSES)/PROFITS**

	£	£
RETAINED (LOSS)/PROFIT FOR THE PERIOD	(144)	29
RETAINED PROFIT BROUGHT FORWARD	29	-
	<hr/>	<hr/>
RETAINED (LOSS)/PROFIT CARRIED FORWARD	<u>(115)</u>	<u>29</u>

The results shown in the profit and loss account derive wholly from continuing activities.

The company has no recognised gains and losses other than those included in the results 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 period stated above and their historical cost equivalents.

**FIRST TOWER LP(7) LIMITED**

**BALANCE SHEET - 31 DECEMBER 1996**

	Notes	31 Dec 1996 £	10 Oct 1996 £
FIXED ASSETS			
Investment in Partnership	4	<u>167</u>	<u>167</u>
CURRENT ASSETS			
Debtors	5	80	24
Cash at bank		<u>5</u>	<u>5</u>
CREDITORS: amounts falling due within one year	6	<u>85 (200)</u>	<u>29 -</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(115)</u>	<u>29</u>
NET ASSETS		<u>52</u>	<u>196</u>
CAPITAL AND RESERVES			
Called-up share capital	7	167	167
Profit and loss account		<u>(115)</u>	<u>29</u>
EQUITY SHAREHOLDERS' FUNDS	8	<u>52</u>	<u>196</u>

These accounts were approved and signed on 3 March 1997 by:

*R. S. Heels.*

R S Heels  
Director



## **FIRST TOWER LP(7) LIMITED**

### **NOTES TO THE ACCOUNTS** **FOR THE PERIOD 11 OCTOBER 1996 TO 31 DECEMBER 1996**

#### **1. Principal accounting policies**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies applied in preparing the accounts of the company for the period ended 31 December 1996, which have been applied on a consistent basis, is set out below:

##### **a) Investment in Partnership**

The company's partnership interest is stated at cost less provision for permanent diminutions in value.

##### **b) Cash flow statement**

As permitted by Financial Reporting Standard No 1, no cash flow statement is presented as the company is a wholly owned subsidiary undertaking of a company incorporated in the UK.

##### **c) Deferred taxation**

To the extent that either a liability or benefit is expected to arise in the foreseeable future, deferred taxation is calculated on all timing differences at the rates of tax ruling at the dates when these timing differences are expected to reverse.

##### **d) Income from fixed asset investment**

In each period the company recognises as income a share of the net profits of the Partnership for the same period. This share is calculated on an accruals basis in proportion to the company's contribution to the Partnership's capital.

#### **2. (Loss)/profit on ordinary activities before taxation**

The company does not employ any staff. The director did not receive any emoluments in respect of his services to the company during the period (prior period £Nil). Other administrative expenses comprise auditors' remuneration of £200 (prior period: £Nil).

#### **3. Taxation on profit on ordinary activities**

There is no charge to corporation tax for the period (prior period: £Nil).

#### **4. Investment in Partnership**

As a limited partner, the company has contributed 8.325% of the capital of the First Tower Limited Partnership ("the Partnership"), an entity which holds a beneficial leasehold interest in office accommodation.

Under partnership law, there is a possibility that the company may, in certain circumstances, be required to re-contribute to the Partnership some or all of the capital previously returned to it by the Partnership (in total £8,741,250). No liability is expected to arise.

# **FIRST TOWER LP(7) LIMITED**

## **NOTES TO THE ACCOUNTS** **FOR THE PERIOD 11 OCTOBER 1996 TO 31 DECEMBER 1996 (Continued)**

5. **Debtors**

	31 Dec 1996 £	10 Oct 1996 £
Amount due from Partnership	<u>80</u>	<u>24</u>

6. **Creditors: amounts falling due within one year**

	31 Dec 1996 £	10 Oct 1996 £
Accruals	<u>200</u>	<u>-</u>

7. **Called-up share capital**

	31 Dec 1996 £	10 Oct 1996 £
<u>Authorised:</u>		
100,000 deferred ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
100 ordinary shares of \$1	<u>65</u>	<u>65</u>
<u>Issued, allotted and fully paid:</u>		
Deferred ordinary shares of £1 each	102	102
100 ordinary shares of \$1 each	<u>65</u>	<u>65</u>
	<u>167</u>	<u>167</u>

The deferred ordinary shares of £1 each do not carry a right to receive notice of, or attend and vote at, any general meeting of the company. Under the Articles of Association the holders of the deferred ordinary shares will only be entitled to any participation in the profit or assets of the company in very limited and specified circumstances. The company has the power and authority at any time to purchase all or any of these shares for an aggregate consideration of £1.

8. **Reconciliation of movements in equity shareholders' funds**

	£
As at 11 October 1996	196
Loss for the period	<u>(144)</u>
As at 31 December 1996	<u>52</u>

**FIRST TOWER LP(7) LIMITED**

**NOTES TO THE ACCOUNTS**

**FOR THE PERIOD 11 OCTOBER 1996 TO 31 DECEMBER 1996 (Continued)**

9. **Ultimate parent undertaking**

The company's ultimate parent undertaking is Provident Financial plc, a company incorporated in England. Copies of that company's consolidated accounts can be obtained from the Company Secretary, Provident Financial plc, Colonnade, Sunbridge Road, Bradford, BD1 2LQ.