

COMPANY NO:-

00498943

***PROCON (GREAT BRITAIN) LIMITED***  
***FINANCIAL STATEMENTS***  
***FOR THE YEAR ENDED 31 DECEMBER 1997***



**PROCON (GREAT BRITAIN) LIMITED**

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**PROCON (GREAT BRITAIN) LIMITED**

**OFFICERS AND ADVISERS**

**DIRECTORS:**

W R MacMillan  
J M Smith  
M C E Sturt

**COMPANY SECRETARY:**

D J White

**REGISTERED OFFICE**

P O Box 60  
Broadheath  
Altrincham  
Cheshire  
WA14 5EP

**BANKERS:**

Barclays Bank plc  
Manchester City Office  
51 Mosley Street  
Manchester  
M60 2AU

**AUDITORS:**

Rushtons  
Starkie House  
Winckley Square  
Preston  
Lancashire  
PR1 3JJ

## PROCON (GREAT BRITAIN) LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997

#### **Directors Responsibilities**

Company law requires us as Directors to prepare financial statements 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 period. In preparing those financial statements we 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 a going concern basis unless it is inappropriate to presume that the Company will continue in business.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable us to ensure that the financial statements comply with the Companies Act 1985. We are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors**

W R MacMillan  
J M Smith  
M C E Sturt

#### **Secretary**

D J White

#### **Registered Office**

P O Box 60  
Broadheath  
Altrincham  
Cheshire  
WA14 5EP

#### **Principal Activities**

The company has ceased trading, but continues to function in the winding up of the staff pension scheme.

The results for the year are shown in the attached Profit and Loss Account.

**PROCON (GREAT BRITAIN) LIMITED**

**DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 1997**

**Directors**

The present Directors are as shown above.

The Company's Articles of Association do not require Directors to retire by rotation.

The Directors do not have any interests which require disclosure under Section 234 of the Companies Act 1985.

**Close Company Status**

The Company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

**Auditors**

The auditors, Rushtons, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**BY ORDER OF THE BOARD**



**D J WHITE  
SECRETARY**

Date: 20/3/98

**AUDITORS REPORT TO THE MEMBERS OF**

**PROCON (GREAT BRITAIN) LIMITED**

We have audited the financial statements on page 5 to 9 which have been prepared under the historical cost convention and 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 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.

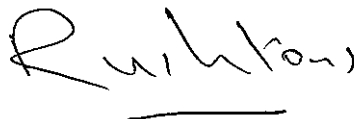
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Fundamental Uncertainty**

The financial statements have been prepared on a going concern basis. This basis may not be appropriate because at that date the Company had net liabilities of £7,631,688 including an amount due to group undertakings of £7,656,962. It is therefore insolvent within the terms of Section 123 of the Insolvency Act 1986. Should the Company be unable to continue trading, adjustments might have to be made to reduce the value of assets to their recoverable amount and to provide for any further liabilities which may arise. Our opinion is not qualified in this respect.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 as applicable to small companies.



**RUSHTONS  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS**

Starkie House  
Winckley Square  
Preston  
Lancashire PR1 3JJ

Date: 27 March 1998

**PROCON (GREAT BRITAIN) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

	Notes	1997	1996
		£000	£000
Other Operating Charges		(12)	(9)
		—	—
Operating (Loss)	2	(12)	(9)
Interest Received		1	1
Other Income	3	250	-
		—	—
Profit/(Loss) on Ordinary Activities before Taxation		239	(8)
		—	—
Profit/(Loss) on Ordinary Activities after Taxation		239	(8)
Retained (Deficit) brought forward at 1 January 1997		(7,876)	(7,868)
		—	—
Retained (Deficit) carried forward at 31 December 1997		(7,637)	(7,876)
		=====	=====

The only recognised gain/loss for the year is the profit/(loss) for the year of £239,336 (1996 (£8,070)).

There were no acquisitions and no discontinued operations in the year.

The annexed notes form part of these financial statements.

**PROCON (GREAT BRITAIN) LIMITED**

**BALANCE SHEET AS AT 31 DECEMBER 1997**

	Notes	1997	1996
		£000	£000
<b>Current Assets</b>			
Cash at Bank and in Hand		26	23
		—	—
		26	23
<b>Less Creditors:-</b>			
Amounts falling due within one year	5	(7,658)	(7,894)
		—	—
Net Current Liabilities		(7,632)	(7,871)
		—	—
<b>Capital and Reserves</b>			
Called up Share Capital	4	5	5
Profit and Loss Account		(7,637)	(7,876)
		—	—
	6	(7,632)	(7,871)
		—	—

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

W R MACMILLAN  
DIRECTOR

*W<sup>r</sup> Macmillan*

Date: *26<sup>th</sup> March 98*



**PROCON (GREAT BRITAIN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

**1 Accounting Policies**

(a) The financial statements have been prepared on the historical cost basis as in prior years, and on a going concern basis since support will continue to be provided by group companies. The accounts have been prepared in accordance with applicable accounting standards.

**(b) Foreign Currency**

Transactions denominated in foreign currencies are translated at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into pounds sterling at the exchange rates ruling at the Balance Sheet date. Differences on translation are reflected in the Profit and Loss Account.

**(c) Deferred Taxation**

In accordance with the principles contained in Statement of Standard Accounting Practice No 15 the Company has adopted the policy of providing for deferred taxation only to the extent that it is expected to fall due for payment in the foreseeable future.

<b>2 Operating (Loss)</b>	<b>1997</b>	<b>1996</b>
This is stated after charging:-	£000	£000
Auditors Remuneration	1	1
	=	=

The Company has no employees and consequently, no staff costs. The Directors receive no emoluments from the Company.

**3 Other Income**

This is comprised solely of a surplus repaid to the company from the Procon (Great Britain) Limited Staff Pension Scheme.

**PROCON (GREAT BRITAIN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

<b>4</b>	<b>Called up Share Capital</b>	<b>1997</b>	<b>1996</b>
		£000	£000
	Authorised Ordinary Shares of £1 each	5	5
		=	=
	Allotted, Issued and fully paid Ordinary Shares of £1 each	5	5
		=	=
<b>5</b>	<b>Creditors</b>	<b>1997</b>	<b>1996</b>
	Amounts falling due within one year:-	£000	£000
	Amount owed to Parent Company and other Group Undertakings	7,657	7,893
	Accruals	1	1
		—————	—————
		7,658	7,894
		=====	=====

Inter-Company loans are included in amounts owed to holding company and fellow subsidiaries. These loans, which in prior years were primarily dollar denominated, were converted to sterling loans with effect from 1 January 1991. The loans are unsecured and have no fixed repayment date.

**PROCON (GREAT BRITAIN) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

<b>6 Reconciliation of Shareholders' Funds</b>	<b>1997</b>	<b>1996</b>
	£000	£000
Profit/(Loss) for the Financial Year	239	(8)
Opening Shareholders' Funds	(7,871)	(7,863)
	—	—
Closing Shareholders' Funds	(7,632)	(7,871)
	—	—

**7 Ultimate Holding Company**

The Company's ultimate holding company is the Koll Real Estate Group Inc., incorporated in the State of Delaware, USA.

**8 Capital Commitments**

There were no Capital Commitments at 31 December 1997.

**9 Contingent Liabilities**

At 31 December 1997 there were no Contingent Liabilities.

**FOR DIRECTORS USE ONLY**

**PROCON (GREAT BRITAIN) LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 1997**

<b>Details of Income and Expenditure</b>	<b>£</b>
Other Operating Expenses	(11,351)
	————
	(11,351)
Investment Income	687
Other Income - Pension Fund Surplus	250,000
	————
Profit on Ordinary Activity	239,336
	=====