

Deritend Investments (Crumpsall) Limited

**Directors' report and financial
statements**

Registered number 604712

31 December 1999



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

Principal activity

The principal activity of the company is property trading. There has been no significant change in the nature of the company's business activity during the year under review nor is any envisaged in the immediate future.

Financial statements and dividends

The result for the year ended 31 December 1999 is set out in the attached financial statements.

The directors do not recommend the payment of a dividend (1998:£Nil).

Property

A professional valuation of property held for trading was carried out at 31 December 1996 and this revealed a surplus over book value of £114,410 at that time (of which £83,060 related to property still held at 31 December 1999) which was not incorporated into the financial statements. The directors are satisfied that at 31 December 1999 property held for trading had a value considerably in excess of its book value.

Directors and directors' interests

The directors who held office during the year, and who are still in office, are:

Mr BSE Freshwater
Mr D Davis

The Articles of Association of the company do not require the directors to retire by rotation.

The directors do not have service contracts nor do they receive any emoluments from the company.

Day-to-day management of the company's property is carried out by Highdorn Co. Limited. Mr BSE Freshwater is a director of Highdorn Co. Limited and has a non-beneficial interest in its share capital.

The whole of the issued capital of the company is owned by E. Alec Colman Investments Limited. At 31 December 1999 neither of the directors had any interest in the share capital of the company, the company's parent undertaking or any subsidiary of the company's parent undertaking.

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.

Directors' report *(continued)*

Year 2000

There has been no disruption to the Group's operations during or since the turn of the Millennium, as a result of the Group's systems not being Year 2000 compliant. No disruption is expected and the directors continue to monitor the position.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of Cohen, Arnold & Co. and KPMG as joint auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board


CC Morse
Secretary

Freshwater House
158/162 Shaftesbury Avenue
London WC2H 8HR

17 May 2000

Statement of directors' responsibilities

Company law requires the 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, the directors are 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 financial statements;
- 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 ensuring that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the joint auditors, Cohen, Arnold & Co. and KPMG, to the members of Deritend Investments (Crumpsall) Limited

We have audited the financial statements on pages 5 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 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 with the company is not disclosed.

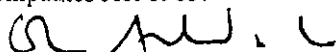
Basis of opinion

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 the company's affairs as at 31 December 1999 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Cohen, Arnold & Co.
Chartered Accountants
Registered Auditors
London



KPMG
Chartered Accountants
Registered Auditors
London

17 May 2000

Profit and loss account

for the year ended 31 December 1999

	Note	£	1999	£	£	1998	£
Rent and charges receivable		250			200		
Property outgoings		(11,199)			(5,739)		
Administrative expenses			(10,949)		(5,539)		
			(1,200)		(1,200)		
Operating loss			(12,149)		(6,739)		
Interest payable	2		(42,000)		(42,000)		
Loss on ordinary activities before taxation	3		(54,149)		(48,739)		
Taxation	4		16,000		15,100		
Retained loss for the financial year	8		(38,149)		(33,639)		

There are no recognised gains or losses (1998:£nil) other than the loss on ordinary activities after taxation.

None of the company's operations were discontinued during the year or during the previous year.

The movements on reserves are shown in note 8.


The notes on pages 7 to 10 form part of these financial statements.

Balance sheet

at 31 December 1999

	Note	1999 £	1998 £
Current assets			
Stocks - property held for trading	1	12,044	12,044
Debtors	5	32,127	16,553
		<hr/>	<hr/>
		44,171	28,597
Creditors: amounts falling due within one year	6	(634,407)	(580,684)
		<hr/>	<hr/>
Net liabilities		(590,236)	(552,087)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	(590,336)	(552,187)
		<hr/>	<hr/>
		(590,236)	(552,087)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 17 May 2000 and were signed on its behalf by:


BSE Freshwater
 Director

 
D Davis
 Director

The notes on pages 7 to 10 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

The directors have received an assurance that an intermediate parent undertaking, Metropolitan Properties Company Limited, will continue to provide such resources as are required by the company. On the basis of this assurance the financial statements have been prepared on a going concern basis.

Property held for trading

Property held for trading is stated at the lower of cost and estimated net realisable value.

Taxation

Provision is made for consideration payable to or receivable from other group undertakings for the surrender of losses under group relief provisions.

Cash flow statement

The company is exempt from the requirement to prepare a cash flow statement (in accordance with Financial Reporting Standard No. 1) on the grounds that it is a wholly owned subsidiary undertaking of an intermediary company registered in England and Wales which prepares consolidated accounts that includes a consolidated cash flow statement.

2 Interest payable

	1999	1998
	£	£
Group finance charges payable	42,000	42,000

Notes (continued)

3 Loss on ordinary activities before taxation

	1999 £	1998 £
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors remuneration for audit services	1,200	1,200

The directors of the company did not receive any emoluments from the company during the year or in the previous year.

Apart from the directors, there were no other employees of the company during the year or in the previous year.

4 Taxation

	1999 £	1998 £
Consideration receivable for group relief	16,000	15,100

5 Debtors

	1999 £	1998 £
Consideration receivable for group relief (note 4)	31,100	15,100
Other debtors and prepayments	1,027	1,453
	<u>32,127</u>	<u>16,553</u>

Notes (continued)

6 Creditors: amounts falling due within one year

	1999 £	1998 £
Amount due to immediate parent undertaking	576,990	530,988
Amount due to fellow subsidiary undertaking	56,202	47,782
Consideration payable for group relief (note 4)	-	700
Other creditors and accruals	1,215	1,214
	<u>634,407</u>	<u>580,684</u>

7 Called up share capital

	1999 £	1998 £
<i>Authorised, allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 Reserves

	Profit and loss account (deficit) £
At 1 January 1999	(552,187)
Loss for the financial year	(38,149)
	<u>(590,336)</u>
At 31 December 1999	

Notes (continued)

9 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Retained loss for the financial year	(38,149)	(33,639)
Opening shareholders' funds	(552,087)	(518,448)
Closing shareholders' funds	(590,236)	(552,087)

10 Directors' interests in contracts

Day-to-day management of the company's property is carried out by Highdorn Co. Limited, one of the Freshwater Group of Companies, with which this company is closely associated. Mr BSE Freshwater is a director of Highdorn Co. Limited and has a non-beneficial interest in the share capital of that company.

11 Charges on assets

The company has charged its trading property with a book value at 31 December 1999 of £12,044 (1998: £12,044) as part security for bank loan and overdraft facilities granted to Metropolitan Properties Company Limited, an intermediate parent undertaking, which at 31 December 1999 amounted to £4,266,344 (1998: £4,183,249).

12 Ultimate parent undertaking

The parent undertaking of the largest group of undertakings for which group financial statements are drawn up is Centremanor Limited, a company registered in England and Wales.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up is Metropolitan Properties Company Limited, a company registered in England and Wales.

Copies of these financial statements can be obtained from the following address: Freshwater House, 158/162 Shaftesbury Avenue, London WC2H 8HR.

The ultimate parent undertaking is Linnet Limited, a company incorporated in the Isle of Man and controlled by trusts.