

Deritend Investments (Crumpsall) Limited

**Directors' report and financial
statements**

Registered number 604712

31 December 2000



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2000.

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 2000 is set out in the attached financial statements.

The directors do not recommend the payment of a dividend (1999:£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 2000) which was not incorporated into the financial statements. The directors are satisfied that at 31 December 2000 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 share capital of the company is owned by E. Alec Colman Investments Limited.

Mr BSE Freshwater and Mr D Davis are also directors of the intermediate parent undertaking, Metropolitan Properties Company Limited and Mr BSE Freshwater's interest therein is set out in the director's report of that company.

Apart from the aforementioned, at 31 December 2000, 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.

Directors' report *(continued)*

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



BSE Freshwater
Director

Freshwater House
158/162 Shaftesbury Avenue
London WC2H 8HR

30 May 2001

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 2000 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CA *Arnold & Co.*

Cohen, Arnold & Co.
Chartered Accountants
Registered Auditors
London

30 May 2001

KPMG
KPMG
Chartered Accountants
Registered Auditors
London

30 May 2001

Profit and loss account

for the year ended 31 December 2000

	Note	2000	1999
		£	£
Rent and charges receivable		4,276	250
Property outgoings		(13,584)	(11,199)
		<hr/>	<hr/>
Administrative expenses		(9,308)	(10,949)
		(1,200)	(1,200)
		<hr/>	<hr/>
Operating loss		(10,508)	(12,149)
Interest payable	2	(40,000)	(42,000)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	3	(50,508)	(54,149)
Taxation	4	15,000	16,000
		<hr/>	<hr/>
Retained loss for the financial year	8	(35,508)	(38,149)
		<hr/>	<hr/>

There are no recognised gains or losses in the current or previous year other than those disclosed above.

All of the company's activities are continuing.

There is no difference between the results as stated and the results on a historic cost basis in either the current or previous year.

Balance sheet

at 31 December 2000

	Note	2000 £	1999 £
Current assets			
Stocks - property held for trading		12,044	12,044
Debtors	5	34,037	32,127
		<hr/>	<hr/>
		46,081	44,171
Creditors: amounts falling due within one year	6	(671,825)	(634,407)
		<hr/>	<hr/>
Net liabilities		(625,744)	(590,236)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	(625,844)	(590,336)
		<hr/>	<hr/>
Equity shareholders' funds	9	(625,744)	(590,236)
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 30 May 2001 and were signed on its behalf by:

BSE Freshwater
 Director



D Davis
 Director



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.

Related party transactions

The company has taken advantage of the exemption in FRS 8 Related Party Disclosures in order to dispense with the requirement to disclose transactions with other Metropolitan Properties Company Limited group companies.

2 Interest payable

	2000 £	1999 £
Group finance charges payable	40,000	42,000

Notes (continued)

3 Loss on ordinary activities before taxation

	2000 £	1999 £
<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

	2000 £	1999 £
Consideration receivable for group relief	15,000	16,000

5 Debtors

	2000 £	1999 £
Consideration receivable for group relief (note 4)	31,000	31,100
Other debtors and prepayments	3,037	1,027
	<u>34,037</u>	<u>32,127</u>

Notes (continued)

6 Creditors: amounts falling due within one year

	2000 £	1999 £
Tenants' deposits	400	-
Amount due to immediate parent undertaking	623,365	576,990
Amount due to fellow subsidiary undertaking	46,860	56,202
Other creditors and accruals	1,200	1,215
	<hr/>	<hr/>
	671,825	634,407
	<hr/>	<hr/>

7 Called up share capital

	2000 £	1999 £
<i>Authorised, allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

8 Profit and loss account

	£
At 1 January 2000	(590,336)
Loss for the financial year	(35,508)
	<hr/>
At 31 December 2000	(625,844)
	<hr/>

Notes (continued)

9 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Retained loss for the financial year	(35,508)	(38,149)
Opening shareholders' funds	(590,236)	(552,087)
	<hr/>	<hr/>
Closing shareholders' funds	(625,744)	(590,236)
	<hr/>	<hr/>

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.

During the year £383 (1999: £nil), including VAT, was paid to Highdorn Co. Limited for the full range of management and administrative services which were charged for at normal commercial rates.

11 Charges on assets

The company has charged its trading property with a book value at 31 December 2000 of £12,044 (1999: £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 2000 amounted to £3,374,496 (1999: £4,266,344).

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.