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TEMPLEFORD LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2001



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TEMPLEFORD LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2001

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TEMPLEFORD LIMITED

COMPANY INFORMATION

DIRECTORS

Gerard Wycherley
Nora M. Wycherley

SECRETARY

Gerard Wycherley

REGISTERED OFFICE

74 High Street
Croydon
Surrey CR9 2UV
England

SOLICITORS

Ronan Daly Jermyn
12 South Mall
Cork

T.J. Hegarty & Sons
58 South Mall
Cork

BANKERS

Bank of Ireland
32 South Mall
Cork

AUDITORS

Ernst & Young
Chartered Accountants
89 South Mall
Cork

DIRECTORS' REPORT

for the year ended 31 December 2001

The directors submit herewith their report and audited financial statements for the year ended 31 December 2001 which are set out on pages 5 to 15.

REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The principal activity of the company continued to be the management and development of commercial properties.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AS AT 31 DECEMBER 2001

The Profit and Loss Account and the Balance Sheet for the year ended 31 December 2001 are set out on pages 5 and 7. Profit on ordinary activities before taxation amounted to IR£879,678 compared with a profit of IR£5,135,868 in the previous year. After taxation of IR£131,929 a surplus of IR£747,749 remains.

DIVIDENDS AND RETENTION

It is not proposed to pay any dividend.

FUTURE DEVELOPMENTS IN THE BUSINESS

The company intends to maintain current management policies and look forward to growth in 2002.

DIRECTORS

The directors of the company are listed on page 1.

DIRECTORS INTEREST

The directors interests are set out on note 16.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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 which enables 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.

DIRECTORS' REPORT
for the year ended 31 December 2001

AUDITORS

Ernst & Young have agreed to offer themselves for re-election as auditors of the company.

SMALL COMPANIES EXEMPTION

The directors have taken advantage of the exemptions conferred by Part (II) of schedule 8 of the Companies Act, 1985.

Approved by the Board on: 27 September 2002

On behalf of the Directors

Gerard Wycherley
Nora M. Wycherley



Directors



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEMPLEFORD LIMITED

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the Profit and Loss Account and Balance Sheet and the related notes 1 to 21. These financial statements have been prepared on the basis of the accounting policies set out therein and in accordance with the Financial Reporting Standard for Smaller Entities.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 provisions of the Companies Act 1985 applicable to small companies. 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 director's remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

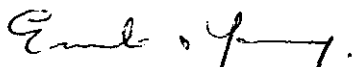
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 affairs of the company as at the 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Ernst & Young
Registered Auditor
Cork

27 September 2002

TEMPLEFORD LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

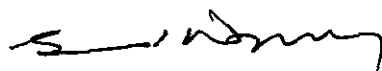
	Notes	2001 IR£	2000 IR£
TURNOVER	2	1,414,796	1,523,281
Depreciation		(7,037)	(6,893)
Staff costs	3	(95,361)	(77,531)
Other operating expenses		(400,706)	(770,754)
OPERATING PROFIT		911,692	668,103
Interest payable	4	(82,303)	(178,384)
Interest receivable		50,289	99,347
Exceptional gain - profit on sale of financial fixed asset		-	4,546,802
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	879,678	5,135,868
Tax on profit on ordinary activities	6	(131,929)	(914,068)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	18	747,749	4,221,800

Approved by the Board on: 27 September 2002

On behalf of the Directors

Gerard Wycherley
Nora M. Wycherley

Directors




TEMPLEFORD LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2001

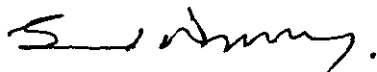
	2001 IR£	2000 IR£
Profit on ordinary activities after taxation	747,749	4,221,800
Realised gain on disposal of revalued investment properties	-	39,930
Total recognised gains related to the year	<u>747,749</u>	<u>4,261,730</u>

The historical cost profit/(loss) before taxation and the amount retained for the year are no different to the amounts stated.

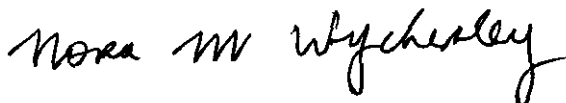
Approved by the Board on: 27 September 2002

On behalf of the Directors

Gerard Wycherley
Nora M. Wycherley



Directors



TEMPLEFORD LIMITED

BALANCE SHEET as at 31 December 2001


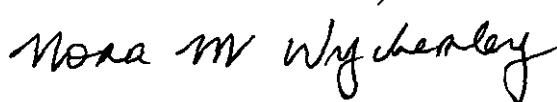
	Notes	2001 IR£	2000 IR£
ASSETS EMPLOYED			
FIXED ASSETS			
Tangible assets	7	15,148,677	15,154,754
Financial assets	8	<u>544,087</u>	<u>544,087</u>
CURRENT ASSETS			
Properties in course of development	9	146,398	146,398
Debtors	10	4,283,427	4,059,213
Cash at bank and in hand		<u>898,445</u>	<u>1,595,075</u>
		5,328,270	5,800,686
CREDITORS (amounts falling due within one year)	11	<u>1,186,296</u>	<u>2,412,538</u>
NET CURRENT ASSETS		<u>4,141,974</u>	<u>3,388,148</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		19,834,738	19,086,989
CREDITORS (amounts falling due after more than one year)	12	<u>1,169,366</u>	<u>1,169,366</u>
		<u>18,665,372</u>	<u>17,917,623</u>
CAPITAL AND RESERVES			
Called up share capital	14	10,416	10,416
Revaluation reserve	15	11,694,267	11,694,267
Profit and loss account	18	<u>6,960,689</u>	<u>6,212,940</u>
		<u>18,665,372</u>	<u>17,917,623</u>

Approved by the Board on: 27 September 2002

On behalf of the Directors

Gerard Wycherley
Nora M. Wycherley

Directors

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

Depreciation

Depreciation is provided on a straight line basis at the rates stated below which are estimated to reduce the assets to realisable values by the end of their expected working lives.

Office Equipment	15%
Motor Vehicles	20%

Investment property

Investment property is stated at open market valuation. When properties are completed and let they are transferred to fixed assets at cost.

The purchase and sale of properties are recognised in the financial statements at the date of legal completion.

Foreign currencies

The financial statements are prepared in Irish pounds.

Assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Profits and losses arising on translation are recognised in the profit and loss account.

2. TURNOVER

Turnover represents sales at invoice value excluding value added tax. Turnover is attributable to one continuing activity, the business of property management. All turnover arises within the Republic of Ireland.

3. EMPLOYEES AND REMUNERATION

The average number of persons employed by the company in the financial year was 5 (2000 - 4) and is analysed into the following categories:

	2001	2000
Administration and management	5	4
Staff costs are comprised of:		
	IR£	IR£
Wages and salaries	87,459	71,063
Social welfare costs	7,902	6,468
	<u>95,361</u>	<u>77,531</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2001

..... continued

4. INTEREST PAYABLE AND SIMILIAR CHARGES

	2001 IR£	2000 IR£
Bank interest and charges	82,303	178,384

This consists of interest payable on bank loans and overdrafts. All facilities are repayable within 5 years.

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	2001 IR£	2000 IR£
Auditors' remuneration	3,000	3,000

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge based on the profit on ordinary activities comprises:-

	2001 IR£	2000 IR£
Corporation Tax	134,974	10,288
Adjustment relating to prior year	(3,045)	(6,932)
Corporation Tax on disposal of financial fixed asset	-	910,712
	<u>131,929</u>	<u>914,068</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2001

..... continued

7. TANGIBLE FIXED ASSETS

	<i>Investment Property IR£</i>	<i>Office Equipment IR£</i>	<i>Motor Vehicles IR£</i>	<i>Total IR£</i>
COST/VALUATION				
At 1 January 2001	15,143,293	11,687	25,700	15,180,680
Additions	-	960	-	960
At 31 December 2001	15,143,293	12,647	25,700	15,181,640
DEPRECIATION				
At 1 January 2001	-	6,566	19,360	25,926
Charge for the year	-	1,897	5,140	7,037
At 31 December 2001	-	8,463	24,500	32,963
Net Book Amount 2001	15,143,293	4,184	1,200	15,148,677
Net Book Amount 2000	15,143,293	5,121	6,340	15,154,754

Investment property was valued by Lisneys on 10 September 1999 on the basis of open market value for existing use at IR£15,195,000. This was based on established yields for similar investment properties. The sale of a number of rental units has been reflected as a disposal at market value in the accounts.

	IR£
Historic cost at 31 December 2001	3,409,211

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2001

..... continued

8. FINANCIAL FIXED ASSETS

(a) Investments including subsidiary undertakings - unlisted

	2001 IR£	2000 IR£
At 31 December Shares at cost	544,087	544,087

(b) Subsidiary undertakings

Details of the investment in the company's subsidiary undertakings are as follows:

<i>Name of company</i>	<i>Registered office</i>	<i>Holding</i>	<i>Position held</i>	<i>Nature of business</i>
Marina Commercial Park Limited	Enterprise House Marina Commercial Park Cork Ireland	Ordinary shares of IR£1 each	100%	Property Management
Citira Investments Limited	Enterprise House Marina Commercial Park Cork Ireland	Ordinary shares of IR£1 each	98%	Property holding company
Celtic Ross Hotel Limited	Enterprise House Marina Commercial Park Cork Ireland	Ordinary shares of IR£1 each	80%	Hotel and leisure centre
Hurson Way Limited	Enterprise House Marina Commercial Park Cork Ireland	Ordinary shares of IR£1 each	76%	Property holding company

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

..... continued

8. FINANCIAL FIXED ASSETS (CONTINUED)

The year end of each of the subsidiary companies is 31 December. Profit/(loss) for the years ended below and the aggregate of capital and reserves at that date were as follows:

	Celtic Ross Hotel Limited 31/12/01 IR£	Marina Commercial Park Limited 31/12/01 IR£	Hurson Way Limited 31/12/01 IR£	Citira Investments Limited 31/12/01 IR£
Profit/(loss) for the year	(245,450)	-	194,055	-
Aggregate of capital and reserves	(844,214)	7,869	419,591	875,780

(c) Other

During 1995 the company purchased 100 IR£1 Redeemable Preference Shares for IR£539,803 in Mishmerot Limited, a company registered in The Isle of Man

(d) In the opinion of the directors the value to the company of the unlisted investments is not less than the book value shown at (a) above.

9. PROPERTIES IN COURSE OF DEVELOPMENT

	2001 IR£	2000 IR£
Properties in course of development	146,398	146,398

Properties in course of development consist of costs associated in bringing the units comprised in the property to a completed condition, prior to transfer to fixed assets for letting, or for sale. Cost comprises an allocation of original cost.

10. DEBTORS

(Amounts falling due within one year)

	2001 IR£	2000 IR£
Due by group companies	4,153,412	3,937,381
Trade debtors and prepayments	89,825	112,747
Directors current account	40,190	9,085
	<u>4,283,427</u>	<u>4,059,213</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

..... continued

11. CREDITORS

(Amounts falling due within one year)

	2001 IR£	2000 IR£
Trade and other creditors	159,708	398,681
Due to group companies	875,781	1,036,877
Bank loans and overdrafts (Note 13)	15,833	55,980
Taxation	134,974	921,000
	<u>1,186,296</u>	<u>2,412,538</u>

12. CREDITORS

(Amounts falling due after more than one year)

	2001 IR£	2000 IR£
Bank loans (Note 13)	1,000,000	1,000,000
Due to related company	169,366	169,366
	<u>1,169,366</u>	<u>1,169,366</u>

The loan due to a related company is unsecured. There is no interest payable and no fixed terms of repayment. However, the loan cannot be repaid in advance of bank loans.

13. BANK LOANS AND OVERDRAFTS

(Amounts falling due within one year)

	2001 IR£	2000 IR£
Bank loans and overdrafts	<u>15,833</u>	<u>55,980</u>

(Amounts falling due after more than one year)

Between > 5 years	<u>1,000,000</u>	<u>1,000,000</u>
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Bank borrowings are secured by way of a specific mortgage over the company's property at Marina Commercial Park, Cork, Ireland and by way of a floating charge over all the assets of the company, in addition to fixed and floating charges over the assets of another group company.

TEMPLEFORD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2001

..... continued

14. CALLED UP SHARE CAPITAL

	<i>2001</i>	<i>2000</i>
	<i>IR£</i>	<i>IR£</i>
Authorised		
10,000 Ordinary shares of STG£1 each	<u>10,416</u>	<u>10,416</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of STG£1 each	<u>10,416</u>	<u>10,416</u>

15. REVALUATION RESERVE

Surplus on the revaluation of investment properties

	<i>2001</i>	<i>2000</i>
	<i>IR£</i>	<i>IR£</i>
At 1 January 2001	11,694,267	11,734,197
Realised profit on disposal	-	(39,930)
At 31 December 2001	<u>11,694,267</u>	<u>11,694,267</u>

The investment property was revalued at 10 September 1999 at IR£15,195,000.

16. DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The directors' and secretary had a 100% beneficial interest in the share capital of the company at the beginning and end of the year through family settlements.

The directors' own 100% of EBP Management Limited, and control 24% of the share capital of Hurson Way Limited, and also control 24.76% of MCP Management Limited.

The directors' also control 20% of the share capital of Celtic Ross Hotel Limited.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2001

..... continued

17. DEFERRED TAXATION

No provision has been made for deferred taxation because in the opinion of the directors, the revaluation of investment property does not constitute a timing difference.

18. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENTS ON RESERVES

	Share Capital IR£	Revaluation Reserve IR£	Profit and loss account IR£	Total IR£
At January 2000	10,416	11,734,197	1,951,210	13,695,823
Profit for the year	-	-	4,221,800	4,221,800
Transfer from capital reserves	-	(39,930)	39,930	-
At 1 January 2001	10,416	11,694,267	6,212,940	17,917,623
Profit for the year	-	-	747,749	747,749
At 31 December 2001	10,416	11,694,267	6,960,689	18,665,372

Attributable to equity shareholders.

19. TRANSACTIONS WITH DIRECTORS

The company paid a management charge to Gerard Wycherley, amounting to IR£54,000.

20. RELATED PARTY TRANSACTIONS

Templeford Limited has agreed that it will guarantee the liabilities of the Celtic Ross Hotel Ltd.

21. CONSOLIDATED ACCOUNTS

The directors have claimed an exemption from the preparation of group accounts on the basis that it qualifies as a medium size company under the terms of the Companies Act 1985.

These accounts represent information about Templeford Limited as an individual company and not about the group, other than the information given in notes 8, 10, 11 and 12.

TEMPLEFORD LIMITED

OPERATING STATEMENT

for the year ended 31 December 2001

	<i>2001</i> <i>IR£</i>	<i>2000</i> <i>IR£</i>
INCOME	1,414,796	1,523,281
EXPENSES		
Loan interest	82,303	178,384
Legal & professional fees	81,455	132,204
Audit & accountancy	37,415	20,515
Office expenses	11,126	13,201
Wages & salaries	95,361	77,531
Management charge	54,000	92,750
Repairs & renewals	40,992	307,756
Park management	140,277	133,007
Telephone	7,220	6,210
Advertising	9,648	10,531
Travel expenses	12,128	9,843
Depreciation charge	7,037	6,893
Sundry	3,558	3,943
Bad debts	2,887	40,794
	<u>585,407</u>	<u>1,033,562</u>
TRADING PROFIT FOR YEAR	829,389	489,719
Deposit interest	50,289	99,347
Profit on disposal of financial fixed asset	-	4,546,802
NET PROFIT FOR YEAR	<u>879,678</u>	<u>5,135,868</u>