

TEMPLEFORD LIMITED

DIRECTORS' REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 DECEMBER 2000

CERTIFIED TRUE COPY OF
AUDITED ACCOUNTS FOR
YEAR ENDED 31/12/2000
FOR TEMPLEFORD LTD



A31
COMPANIES HOUSE

HAUBIQ4ZRW

0485
17/10/01

A18
COMPANIES HOUSE

0784
04/10/01

S. Wynn.

DIRECTOR

TEMPLEFORD LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2000

TABLE OF CONTENTS	PAGE
COMPANY INFORMATION	1
DIRECTORS' REPORT	2-3
AUDITORS' REPORT	4-5
PROFIT AND LOSS ACCOUNT	6
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	7
BALANCE SHEET	8
NOTES TO THE FINANCIAL STATEMENTS	9-16
OPERATING STATEMENT	17

TEMPLEFORD LIMITED

COMPANY INFORMATION

DIRECTORS

Gerard Wycherley
Nora M. Wycherley

SECRETARY

Gerard Wycherley

REGISTERED OFFICE

74 High Street
Crydon
Surrey CR9 2UV
England

SOLICITORS

T.J. Hegarty & Sons
58 South Mall
Cork

BANKERS

Bank of Ireland
83 South Mall
Cork

ICC Bank plc
ICC House
46 Grand Parade
Cork

AUDITORS

Ernst & Young
89 South Mall
Cork

DIRECTORS' REPORT

for the year ended 31 December 2000

The directors submit herewith their report and audited financial statements for the year ended 31 December 2000 which are set out on pages 6 to 16.

REVIEW OF THE DEVELOPMENT OF THE BUSINESS

The principal activity of the company continued to be the development of commercial properties. During the year the company increased turnover. In addition the company generated profits on disposal of some commercial units.

RESULTS FOR THE YEAR AND STATE OF AFFAIRS AS AT 31 DECEMBER 2000

The Profit and Loss Account and the Balance Sheet for the year ended 31 December 2000 are set out on pages 6 and 8. Profit before taxation amounted to IR£5,135,868 compared with a profit of IR£465,132 in the previous year. After taxation of IR£914,068 a surplus of IR£4,221,800 remains.

DIVIDENDS AND RETENTION

It is not proposed to pay any dividend.

SAFETY, HEALTH AND WELFARE AT WORK ACT 1989

The wellbeing of the company's employees is safeguarded through the strict adherence to health and safety standards. The directors are satisfied that the company meets the provisions of the Safety, Health and Welfare at Work Act, 1989.

FUTURE DEVELOPMENTS IN THE BUSINESS

The company intends to maintain current management policies and look forward to further growth in 2001.

DIRECTORS

The directors are listed on page 1.

DIRECTORS INTEREST

The directors had no beneficial interest in the shares of the company at any time during the year.

DIRECTORS' REPORT

for the year ended 31 December 2000

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Irish 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 year. 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 are prepared in accordance with accounting standards generally accepted in Ireland and comply with the provisions of the Companies Acts, 1963 to 1999 (and The European Communities (Companies: Group accounts) Regulations, 1992). 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.

AUDITORS

Ernst & Young will continue in office in accordance with Section 160(2) of the Companies Act, 1963.

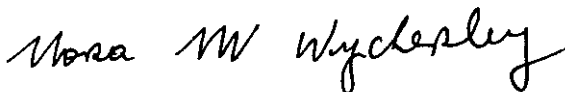
SMALL COMPANIES EXEMPTIONS

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: **18 SEP 2001**

On behalf of the Directors

Directors



REPORT OF THE AUDITORS' TO THE MEMBERS OF TEMPLEFORD LIMITED

We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. As described on pages 2 - 3, this includes responsibility for preparing financial statements in accordance with accounting standards generally accepted in Ireland. Our responsibilities, as independent auditors, are established in Ireland 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 Acts. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there exists a financial situation which may require the convening of an extraordinary general meeting of the company (such a financial situation may exist if the net assets, as stated in the company balance sheet are not more than half of its called-up share capital); and whether the information given in the directors' report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the balance sheet is in agreement with the books of account.

We report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We read the other information contained in the annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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.

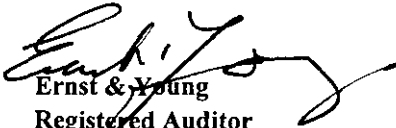
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 affairs of the company as at the 31 December 2000 and the profit of the company for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

REPORT OF THE AUDITORS' TO THE MEMBERS OF TEMPLEFORD LIMITED (CONTINUED)

In our opinion the company is entitled for the year ended 31 December 2000 to the exemption conferred by section 248 of the Companies Act 1985 from the requirement to prepare group accounts.


Ernst & Young
Registered Auditor
Cork

20 September 2001

TEMPLEFORD LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2000

	Notes	2000 IR£	1999 IR£
TURNOVER	2	1,523,281	1,448,562
Depreciation		(6,893)	(6,323)
Staff costs	3	(77,531)	(110,342)
Other operating expenses		(788,754)	(610,802)
OPERATING PROFIT		650,103	721,095
Interest payable	4	(178,384)	(255,963)
Interest receivable		99,347	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	571,066	465,132
Tax on profit on ordinary activities	6	(3,356)	(79,081)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		567,710	386,051
Profit on disposal of financial investment		4,564,802	-
Tax on Profit on disposal of financial investment	6	(910,712)	-
PROFIT FOR THE YEAR	18	4,221,800	386,051

Approved by the Board on: **18 SEP 2001**

On behalf of the Directors

Directors

Nona M Wyderley
S. W. M. M.

TEMPLEFORD LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2000

	2000 IR£	1999 IR£
Profit on ordinary activities after taxation	567,710	386,051
Unrealised surplus on revaluation of investment property	-	9,364,567
Profit on disposal of financial investment after taxation	3,654,090	-
Total recognised gains related to the year	<u>4,221,800</u>	<u>9,750,618</u>

NOTE ON HISTORICAL COST PROFIT AND LOSSES
for the year ended 31 December 2000

The historical cost profit/(loss) before taxation and the amount retained for the year are no different to the amounts stated on page 6.

Approved by the Board on: **18 SEP 2001**

On behalf of the Directors

Directors

Nora M Wycheley
S. Dymy

TEMPLEFORD LIMITED

BALANCE SHEET
as at 31 December 2000

	Notes	2000 IR£	1999 IR£
ASSETS EMPLOYED			
FIXED ASSETS			
Tangible assets	7	15,154,754	15,209,554
Financial assets	8	544,087	969,200
CURRENT ASSETS			
Properties in course of development	9	146,398	269,234
Debtors	10	4,059,213	2,551,608
Cash at bank and in hand		1,595,075	-
		<u>5,800,686</u>	<u>2,820,842</u>
CREDITORS (amounts falling due within one year)	11	2,412,538	2,182,734
NET CURRENT ASSETS		<u>3,388,148</u>	<u>638,108</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		19,086,989	16,816,862
CREDITORS (amounts falling due after more than one year)	12	1,169,366	3,121,039
		<u>17,917,623</u>	<u>13,695,823</u>
CAPITAL AND RESERVES			
Called up share capital	15	10,416	10,416
Revaluation reserve	14	11,694,267	11,734,197
Profit and loss account	18	6,212,940	1,951,210
		<u>17,917,623</u>	<u>13,695,823</u>

Approved by the Board on: **18 SEP 2001**

On behalf of the Directors

Directors

Nora M Wyderley
S. J. J. J.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

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

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 (1999 - 5) and is analysed into the following categories:

	2000	1999
Administration and management	5	5
Staff costs are comprised of:		
	IR£	IR£
Wages and salaries	71,063	100,840
Social welfare costs	6,468	9,502
	<u>77,531</u>	<u>110,342</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

..... continued

4. INTEREST PAYABLE AND SIMILIAR CHARGES

	2000 IR£	1999 IR£
Bank interest and charges	178,384	255,963

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:

	2000 IR£	1999 IR£
Auditors' remuneration	3,000	3,000

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

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

Corporation Tax at 25%	10,288	90,000
Adjustment relating to prior year	(6,932)	(10,919)
Tax on Ordinary activities	3,356	79,081
Corporation Tax on disposal of financial investment	910,712	-
	914,068	79,081

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

..... 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 2000	15,195,000	7,887	25,700	15,228,587
Additions	-	3,800	-	3,800
Disposals	(51,707)	-	-	(51,707)
At 31 December 2000	15,143,293	11,687	25,700	15,180,680
DEPRECIATION				
At 1 January 2000	-	4,813	14,220	19,033
Charge for the year	-	1,753	5,140	6,893
At 31 December 2000	-	6,566	19,360	25,926
Net Book Amount 2000	15,143,293	5,121	6,340	15,154,754
Net Book Amount 1999	15,195,000	3,074	11,480	15,209,554

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 2000	3,409,211

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

..... continued

8. FINANCIAL FIXED ASSETS

(a) Investments including subsidiary undertakings - unlisted

	<i>2000</i>	<i>1999</i>
	<i>IR£</i>	<i>IR£</i>
At 31 December Shares at cost	<u>544,087</u>	<u>969,200</u>

(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
Citcra 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 2000

..... 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 31/12/00	Marina Commercial Park Limited 31/12/00	Hurson Way Limited 31/12/00	Citrea Investments Limited 31/12/00
Profit/(loss) for the year	(158,989)	-	225,536	1,073,626
Aggregate of capital and reserves	(598,764)	7,869	225,636	875,780

(c) Other

During 1995 the company purchased 100 IR£1 Redeemable Preference Shares for £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

	2000 IR£	1999 IR£
Properties in course of development	146,398	269,234

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)

Due by group companies	3,946,466	2,449,445
Trade debtors and prepayments	112,747	102,163
	<u>4,059,213</u>	<u>2,551,608</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

..... continued

11. CREDITORS

(Amounts falling due within one year)

	2000 IR£	1999 IR£
Trade and other creditors	1,435,558	722,550
Bank loans and overdrafts (Note 13)	55,980	1,380,842
Taxation	921,000	79,342
	<u>2,412,538</u>	<u>2,182,734</u>

12. CREDITORS

(Amounts falling due after more than one year)

Bank loans (Note 13)	1,000,000	2,951,673
Due to related company	169,366	169,366
	<u>1,169,366</u>	<u>3,121,039</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 ICC bank loans.

13. BANK LOANS AND OVERDRAFTS

(Amounts falling due within one year)

Bank loans and overdrafts	<u>55,980</u>	<u>1,380,842</u>
---------------------------	---------------	------------------

(Amounts falling due after more than one year)

Between 1 - 2 years	-	413,551
Between 2 - 5 years	-	1,366,855
Between > 5 years	1,000,000	1,171,267
	<u>1,000,000</u>	<u>2,951,673</u>

The long term loan from ICC Bank plc is 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 ICC Bank plc hold fixed and floating charges over the assets of another group company.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

..... continued

14. SURPLUS ON THE REVALUATION OF INVESTMENT PROPERTIES

	<i>2000</i> <i>IR£</i>	<i>1999</i> <i>IR£</i>
At 1 January 2000	11,734,197	2,386,429
Revaluation of investment property	-	9,364,567
Realised profit on disposal	<u>(39,930)</u>	<u>(16,799)</u>
At 31 December 2000	<u>11,694,267</u>	<u>11,734,197</u>

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

15. CALLED UP SHARE CAPITAL

	<i>2000</i> <i>IR£</i>	<i>1999</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>

16. DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The directors and secretary had no interest in the share capital of the company at the beginning and end of the year.

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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2000

..... continued

18. RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENTS ON RESERVES

	Share Capital IR£	Revaluation Reserve IR£	Profit and loss account IR£	Total IR£
At January 1999	10,416	2,386,429	1,548,360	3,945,205
Profit for the year	-	-	386,051	386,051
Revaluation	-	9,364,567	-	9,364,567
Transfer from capital reserves	-	(16,799)	16,799	-
At 1 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 31 December 2000	10,416	11,694,267	6,212,940	17,917,623

Attributable to equity shareholders.

19. TRANSACTIONS WITH DIRECTORS

The directors had no significant transactions with the company during the year within the meaning of the Companies Act 1990.

20. RELATED PARTY TRANSACTIONS

Templeford Limited has agreed that it will guarantee the liabilities of the Celtic Ross Hotel Ltd. A management fee of IR£50,000 was received from EBP Management Limited. The directors of the company Gerard Wycherley and Nora May Wycherley are the beneficial owners of EBP Management Limited.

In December 2000 Templeford Limited sold its 100% shareholding in MCP Management Limited to EBP Management Limited and the Wycherley family.

The company also paid a management charge to Gerard Wycherley, amounting to IR£92,750.

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 1986.

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 and 12.