

Secured Property Developments plc

Directors' report and consolidated financial statements

31 December 2000

Registered number 2055395



Secured Property Developments plc

Directors' report and consolidated financial statements

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Secured Property Developments plc

Notice of meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of Secured Property Developments plc will be held at Bankside Business Centre, Bankside House, 107/112 Leadenhall Street, London, EC3A 4AH on 24 May 2001 at 10am for the following purposes:

1. To receive and adopt the financial statements for the year ended 31 December 2000, together with the reports of the Directors and Auditors thereon.
2. To re-elect Directors R E France and P R Stansfield
3. To re-appoint the Auditors KPMG, and to fix their remuneration
4. To transact any other ordinary business of the Company.

By Order of the Board

R B Dobrée
Secretary

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. Proxy forms must be lodged at the Registered Office not later than forty-eight hours before the time fixed for the meeting.

Secured Property Developments plc

Company information

Directors

P Cottam (*Chairman*)
R E France
G W Green
R A Shane
P R Stansfield

Secretary

R B Dobrée

Registered office

Rowlandson House
289/293 Ballards Lane
London
N12 8NP

Auditors

KPMG
St James' Square
Manchester
M2 6DS

Bankers

The Royal Bank of Scotland
Piccadilly Circus Branch
48 Haymarket
London
SW17 4SE

Solicitors

Rochman Landau
45 Mortimer Street
London
W1N 7TD

Secured Property Developments plc

Chairman's statement

The loss before tax for the year was £17,414 against a loss before tax in 1999 of £24,442.

Administration costs were contained at £46,291 (1999: £50,370). The year saw the receipt of a full year's rent from the Scarborough property, and the sale of the property at Malton completed the sale of the properties held for resale.

Commenting on our two investment properties; we are in the process of a rent review of St Sampson's Square, York and it has been appropriate to revalue both of the properties as at the year end with a resultant credit to the revaluation reserve of £126,861.



Philip Cottam
Chairman

Date: 19 April 2001

Secured Property Developments plc

Directors' report

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

Principal activities

The principal activities of Secured Property Developments plc are the purchase, development and trading of commercial properties. The group comprises the holding company, a finance company and another property company.

Business review

The results for the year are set out on page 8 of these consolidated financial statements.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend.

The loss for the year retained in the group is £17,414.

Directors and directors' interests

The directors who held office during the year were as follows:

P Cottam
R E France
G W Green
R A Shane
P R Stansfield

The directors who held office at the end of the financial year had the following interests in the ordinary shares of the group companies as recorded in the register of directors' share and debenture interests

	Company	Class	Interest at 30 April 2000	Interest at 11 April 2001
P Cottam	SPD plc #	Ordinary shares	15,000	15,000
		Deferred shares	4,000	4,000
		Loan Stock	£2,475	£2,475
R E France	SPD plc #	Ordinary shares	88,888	88,888
G W Green	SPD plc #	Ordinary shares	90,000	90,000
		Deferred shares	30,000	30,000
R A Shane	SPD plc #	Ordinary shares	334,178	340,678
		Deferred shares	150,666	154,666
P R Stansfield	SPD plc #	Ordinary shares	177,778	177,778

SPD plc is used above as an abbreviation for Secured Property Developments plc.

Secured Property Developments plc

Directors' report *(continued)*

Directors and directors' interests *(continued)*

According to the register of directors' interests, no right to subscribe for shares in or debentures of the group companies was granted to any of the directors or their immediate families, or exercised by them, during the financial year.

Substantial shareholding of ordinary shares of 20p each

R E France	4.71%
G W Green	4.77%
R A Shane	18.06%
P R Stansfield	9.43%

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.


R/B Dobbie
Secretary

Rowlandson House
289/293 Ballards House
London
N12 8NP

Secured Property Developments plc

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 the group and of the profit or loss 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; and
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 group and to prevent and detect fraud and other irregularities.



St James' Square
Manchester M2 6DS

Auditors' report to the members of Secured Property Developments plc

We have audited the financial statements on pages 8 to 22.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 6, 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 group 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 group are not disclosed.

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 group'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 and the group as at 31 December 2000 and the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

jcpm

KPMG
Chartered Accountants
Registered Auditors

19 April 2001

Secured Property Developments plc

Consolidated profit and loss account for the year ended 31 December 2000

	<i>Note</i>	2000 £	1999 £
Turnover from continuing operations	2	122,521	45,428
Cost of sales		(4,183)	(6,103)
Gross profit		118,338	39,325
Administrative expenses		(46,291)	(50,370)
Other operating income		4,993	22,798
Operating profit from continuing operations		77,040	11,753
Interest receivable	6	2,733	3,880
Interest payable	7	(97,187)	(40,075)
Loss on ordinary activities before taxation	2-7	(17,414)	(24,442)
Tax on loss on ordinary activities	8	-	(560)
Retained loss for the financial year	16	(17,414)	(25,002)
Loss per share: basic	9	(0.9)p	(1.3)p
Loss per share: diluted	9	(0.7)p	(1.1)p

There were no material differences between the reported losses and the historical cost losses on ordinary activities before taxation in either of the above financial years.

ed Property Developments plc

Consolidated balance sheet 31 December 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	10	1,575,000	1,441,493
Current assets			
Stocks – property held for resale		-	155,763
Debtors	12	17,567	13,188
Cash at bank and in hand		30,061	51,163
		<u>47,628</u>	<u>220,114</u>
Creditors: amounts falling due within one year	13	<u>(67,231)</u>	<u>(45,873)</u>
Net current (liabilities)/assets		(19,603)	174,241
Total assets less current liabilities		1,555,397	1,615,734
Creditors: amounts falling due after more than one year (including convertible debt £24,599)	14	(1,064,815)	(1,234,599)
Net assets		490,582	381,135
Capital and reserves			
Called up share capital	15	401,912	401,912
Share premium account	16	3,473	3,473
Revaluation reserve	16	126,861	-
Profit and loss account	16	(41,664)	(24,250)
Shareholders' funds		490,582	381,135
Shareholders' funds			
Equity		465,859	356,412
Non-equity		24,723	24,723
		<u>490,582</u>	<u>381,135</u>

These financial statements were approved by the board of directors on 19th April 2001 and were signed on its behalf by:

P Cottam
Director



R A Shane
Director



Secured Property Developments plc

Company balance sheet

at 31 December 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	10	500,000	411,237
Investments	11	276,577	276,049
		<u>776,577</u>	<u>687,286</u>
Current assets			
Stocks – property held for resale		-	155,763
Debtors	12	83,283	91,539
Cash at bank and in hand		19,252	33,651
		<u>102,535</u>	<u>280,953</u>
Creditors: amounts falling due within one year	13	<u>(32,024)</u>	<u>(28,795)</u>
Net current assets		70,511	252,158
Total assets less current liabilities		847,088	939,444
Creditors: Amounts falling due after more than one year (including convertible debt £24,599)	14	(394,693)	(554,599)
Net assets		452,395	384,845
Capital and reserves			
Called up share capital	15	401,912	401,912
Share premium account	16	3,473	3,473
Revaluation reserve	16	88,763	-
Profit and loss account	16	(41,753)	(20,540)
Shareholders' funds		452,395	384,845
Shareholders' funds			
Equity		427,672	360,122
Non-equity		24,723	24,723
		<u>452,395</u>	<u>384,845</u>

These financial statements were approved by the board of directors on 19 April 2001 and were signed on its behalf by:

P Cottam
Director



R A Shane
Director



Secured Property Developments plc

Consolidated cash flow statement for the year ended 31 December 2000

	<i>Note</i>	2000 £	1999 £
Net cash inflow from operating activities		249,618	107,599
Returns on investments and servicing of finance	<i>18</i>	(94,454)	(32,028)
Taxation		-	(560)
Capital expenditure	<i>18</i>	(6,646)	(1,030,256)
Cash inflow/(outflow) before financing		148,518	(955,245)
Financing	<i>18</i>	(169,620)	940,000
Decrease in cash in the year	<i>19</i>	(21,102)	(15,245)

Reconciliation of operating profit to operating cash flows for the year ended 31 December 2000

	2000 £	1999 £
Operating profit	77,040	11,753
Decrease in stocks	155,763	77,880
(Increase)/decrease in debtors	(4,379)	1,788
Increase in creditors	21,194	16,178
Net cash inflow from operating activities	249,618	107,599

Reconciliation of net cash flow to movements in net debt for the year ended 31 December 2000

	<i>Notes</i>	2000 £	1999 £
Decrease in cash in the year	<i>19</i>	(21,102)	(15,245)
Cash outflow/(inflow) from change in debt		169,620	(940,000)
Movement in net debt in the year		148,518	(955,245)
Net debt at beginning of the year	<i>19</i>	(1,193,436)	(238,191)
Net debt at end of the year	<i>19</i>	(1,044,918)	(1,193,436)

Secured Property Developments plc

Statements of total recognised gains and losses for the year ended 31 December 2000

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Loss for the financial year	(17,414)	(25,002)	(21,213)	(21,292)
Unrealised surplus on revaluation of property	126,861	-	88,763	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total recognised gains and losses relating to the financial year	109,447	(25,002)	67,550	(21,292)
	<hr/>	<hr/>	<hr/>	<hr/>

Reconciliations of movements in shareholders' funds for the year ended 31 December 2000

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Loss for the financial year	(17,414)	(25,002)	(21,213)	(21,292)
Surplus on property revaluations	126,861	-	88,763	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net addition to/(reduction in) shareholders' funds	109,447	(25,002)	67,550	(21,292)
Opening shareholders' funds	381,135	406,137	384,845	406,137
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	490,582	381,135	452,395	384,845
	<hr/>	<hr/>	<hr/>	<hr/>

Secured Property Developments plc

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 group's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost accounting rules as modified by the revaluation of investment properties and in accordance with applicable accounting standards. The financial statements are in compliance with the Companies Act 1985 except that, as noted below, investment properties are not depreciated.

Basis of consolidation

The group financial statements consolidate the financial statements of Secured Property Developments plc and its subsidiary undertakings. These financial statements are made up to 31 December.

Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary and associated undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In accordance with section 230(4) of the Companies Act 1985 Secured Property Developments plc is exempt from the requirement to present its own profit and loss account. The result for the financial year dealt with in the financial statements of Secured Property Developments plc is disclosed in note 16 to these financial statements.

Related party transactions

The directors have taken advantage of the exemption in Financial Reporting Standard No 8, paragraph 3 (c), and have not disclosed related party transactions with parent and fellow subsidiary undertakings.

Investment properties

In accordance with SSAP 19, depreciation is not charged on investment properties held by the group. Such properties are not held for consumption but for investment and the directors consider that to depreciate them would not give a true and fair view. Investment properties are revalued annually by the directors and the aggregate surplus or deficit is transferred to a revaluation reserve. The directors consider that this policy results in the accounts giving a true and fair view.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Secured Property Developments plc

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover represents the amounts (excluding value added tax) derived from the sale of property to third party customers, interest on loans during the year and rental income from investment properties.

2 Turnover and loss on ordinary activities before taxation

Turnover and loss on ordinary activities before taxation are attributable to the principal activities of the group.

Turnover was derived from the activities of the group as follows:

	2000 £	1999 £
Rental income from investment properties	121,408	44,638
Interest on loans	1,113	790
	<u>122,521</u>	<u>45,428</u>

All turnover and pre-tax loss on ordinary activities before taxation was earned in the UK.

3 Loss on ordinary activities before taxation

	2000 £	1999 £
<i>Loss on ordinary activities before taxation is stated:</i>		
<i>after charging</i>		
Auditors' remuneration		
Audit	7,000	5,250
Other services	1,300	1,500
	<u>8,300</u>	<u>6,750</u>
<i>after crediting</i>		
Rental income from investment properties	(121,408)	(44,638)
Rental income from properties held for resale	(4,978)	(22,798)
	<u>(130,386)</u>	<u>(71,186)</u>

4 Remuneration of directors

The chairman received fees of £7,445 (1999: £6,225) and one other director received fees of £10,459 (1999: £14,017) which was paid to his employer in respect of his services (see note 20).

Secured Property Developments plc

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2000	1999
Directors	5	5

There are no payroll costs other than those disclosed in note 4.

6 Interest receivable

	2000 £	1999 £
Bank interest receivable	2,733	3,880

7 Interest payable

	2000 £	1999 £
On bank loans	79,452	4,167
On other loans	15,172	33,448
10% Convertible unsecured loan stock 2001 - 2005	2,460	2,460
Other	103	-
	<u>97,187</u>	<u>40,075</u>

8 Taxation

	2000 £	1999 £
Adjustment relating to an earlier year	-	560

Secured Property Developments plc

Notes (continued)

9 Loss per share

The calculation of the basic and diluted loss per share figures are based on the following:

	2000	1999
Basic		
Loss after tax	£(17,414)	£(25,002)
Number of ordinary shares	1,885,942	1,885,942
Loss per share	(0.9)p	(1.3)p
	<hr/>	<hr/>
Diluted		
Loss after tax	£(17,414)	£(25,002)
Conversion of Convertible Unsecured Loan Stock	2,460	2,460
	<hr/>	<hr/>
	£(14,954)	£(22,542)
	<hr/>	<hr/>
Number of Ordinary shares	1,885,942	1,885,942
Conversion of Convertible Unsecured Loan Stock	122,995	122,995
	<hr/>	<hr/>
	2,008,937	2,008,937
	<hr/>	<hr/>
Loss per share	(0.7)p	(1.1)p
	<hr/>	<hr/>

Secured Property Developments plc

Notes (continued)

10 Tangible fixed assets - Investment properties

Group	£	
<i>Cost or valuation</i>		
At beginning of year		1,441,493
Additions		6,646
Revaluation		126,861
At end of year		<u>1,575,000</u>
<i>Net book value</i>		
At 31 December 2000		<u>1,575,000</u>
At 31 December 1999		<u>1,441,493</u>
	2000	1999
	£	£
Historical cost of revalued assets	<u>1,448,139</u>	<u>1,441,493</u>
Historical cost net book value	<u>1,448,139</u>	<u>1,441,493</u>
 <i>Company</i>		
<i>Cost or valuation</i>		
At beginning of year		411,237
Revaluation		88,763
At end of year		<u>500,000</u>
<i>Net book value</i>		
At 31 December 2000		<u>500,000</u>
At 31 December 1999		<u>411,237</u>
	2000	1999
	£	£
Historical cost of revalued assets	<u>411,237</u>	<u>411,237</u>
Historical cost net book value	<u>411,237</u>	<u>411,237</u>

Secured Property Developments plc

Notes (continued)

10 Tangible fixed assets - Investment properties (continued)

Group and company

The directors revalued the investment properties on 31 December 2000 based on an assumed yield of 7.25% on the current level of rental income. The directors are of the opinion that the revalued amount of the investment properties fairly reflects the realisable market value as at 31 December 2000.

11 Investments

Company

	Loans to subsidiaries £	Shares in subsidiaries £	Total £
Cost			
At beginning and end of year	465,374	4	465,378
Provisions for diminution in value			
At beginning of year	189,329	-	189,329
Released in the year	(528)	-	(528)
At end of year	188,801	-	188,801
Net book value			
At 31 December 2000	276,573	4	276,577
At 31 December 1999	276,045	4	276,049

Shares in group undertakings represent the company's investment in SPD Discount Limited and Secured Property Developments (Scarborough) Limited. At 31 December 2000 and 1999 the company held 100% of the ordinary share capital of each of the subsidiary undertakings.

Both subsidiary undertakings are registered in England and Wales. The principal activity of SPD Discount Limited is that of a finance company and that of Secured Property Developments (Scarborough) Limited is property purchase and development.

12 Debtors

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Amounts owed by subsidiary undertakings	-	-	74,362	88,702
Loan balances receivable:				
Within one year	8,166	5,934	-	-
After one year	-	4,417	-	-
Prepayments and accrued income	9,401	2,837	8,921	2,837
	17,567	13,188	83,283	91,539

Secured Property Developments plc

Notes (continued)

13 Creditors: amounts falling due within one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loan (see note 14)	10,164	10,000	-	-
Amounts due to subsidiary undertakings	-	-	7,596	-
Other creditors including taxation and social security:				
Other taxes and social security	4,109	739	3,200	739
Other creditors	5,425	4,167	4,097	4,167
Accruals and deferred income	47,533	30,967	17,131	23,889
	<u>67,231</u>	<u>45,873</u>	<u>32,024</u>	<u>28,795</u>

14 Creditors: amounts falling due after more than one year

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Bank loan	670,122	680,000	-	-
Other loans	90,000	250,000	90,000	250,000
Woolwich plc	280,094	280,000	280,094	280,000
10% Convertible Unsecured				
Loan Stock 2001 - 2005	24,599	24,599	24,599	24,599
	<u>1,064,815</u>	<u>1,234,599</u>	<u>394,693</u>	<u>554,599</u>

The bank loan is secured by a fixed and floating charge on the assets of Secured Property Developments (Scarborough) Limited. The interest rate is LIBOR plus 1.5%. The loan will be repaid by quarterly instalments commencing in January 2000 based on a 25 year mortgage. The balance outstanding shall be repaid no later than the fifth anniversary of the draw-down.

Other loans comprise loans from directors. These are secured by a second legal charge on the Scarborough property and the guarantee of Secured Property Developments (Scarborough) Limited. Interest is payable quarterly at a rate of 10% per annum. Repayment is due no later than the third anniversary of the draw-down with all parties having the right to request earlier repayment by way of three months notice.

The loan from Woolwich plc is secured by way of a first charge on 14 St Sampson's Square, York. Interest is payable at a rate of 8.75% pa until 30 June 2001 and capital repayments are scheduled to commence 5 years from draw-down, at a level to be agreed.

The convertible unsecured loan stock (repayable in 2005 unless converted) is convertible into ordinary shares of 20p each on 1 May and 1 November in each of the years 2001 to 2005 at the rate of one ordinary share for each 20p of convertible loan stock being converted. The holders have no voting or distribution rights to the distributable profits prior to conversion. Interest is payable at 10% per annum.

Secured Property Developments plc

Notes (continued)

15 Called up share capital

	2000 £	1999 £
<i>Authorised</i>		
18,863,846 ordinary shares of 20p each	3,772,769	3,772,769
1,236,154 deferred shares of 2p each	24,723	24,723
	<u>3,797,492</u>	<u>3,797,492</u>
<i>Allotted, called up and fully paid</i>		
1,885,942 ordinary shares of 20p each	377,189	377,189
1,236,154 deferred shares of 2p each	24,723	24,723
	<u>401,912</u>	<u>401,912</u>

The respective rights of the shareholders are as follows:

Ordinary shares

The ordinary shares have the right to all available capital and distributable profits subject only to any right available to the deferred shares on winding up.

Deferred shares

The deferred shares have no rights to vote, receive notices, or attend general meetings, nor to any income. On the return of capital on a winding-up or otherwise the deferred shares have no entitlement until the sum of £100,000 per ordinary share shall have been distributed.

16 Reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Group			
At beginning of year	3,473	-	(24,250)
Loss for the financial year	-	-	(17,414)
Surplus on revaluation	-	126,861	-
At end of year	<u>3,473</u>	<u>126,861</u>	<u>(41,664)</u>
Company			
At beginning of year	3,473	-	(20,540)
Loss for the financial year	-	-	(21,213)
Surplus on revaluation	-	88,763	-
At end of year	<u>3,473</u>	<u>88,763</u>	<u>(41,753)</u>

Secured Property Developments plc

Notes (continued)

17 Commitments

Neither the group nor the company had any contractual commitments at the year end (1999: £nil).

18 Analysis of items netted in the cash flow statement

	2000 £	1999 £
Return on investments and servicing of finance		
Interest paid	(97,187)	(35,908)
Interest received	2,733	3,880
	<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance	(94,454)	(32,028)
	<hr/>	<hr/>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(6,646)	(1,030,256)
	<hr/>	<hr/>
Net cash outflow for capital expenditure and financial investment	(6,646)	(1,030,256)
	<hr/>	<hr/>
Financing		
New loan finance	-	940,000
Loan repayments	(169,620)	-
	<hr/>	<hr/>
Net cash (outflow)/inflow from financing	(169,620)	940,000
	<hr/>	<hr/>

19 Analysis of changes in net debt

	1999 £	Cash flows £	2000 £
Cash in hand and at bank	51,163	(21,102)	30,061
Debt due within 1 year	(10,000)	(164)	(10,164)
Debt due after 1 year	(1,234,599)	169,784	(1,064,815)
	<hr/>	<hr/>	<hr/>
	(1,193,436)	148,518	(1,044,918)
	<hr/>	<hr/>	<hr/>

Secured Property Developments plc

Notes (continued)

20 Related party transactions

St James Property Services Limited of which R A Shane is a director and shareholder has received £11,700 (1999: £15,017) from the holding company in respect of management services, including directors' fees of £10,549 (1999: £14,017). P Cottam has received fees amounting to £7,445 (1999: £6,225) from the holding company in respect of professional fees.

During the year certain directors, as noted below, provided loans to the group. Details of the interest rate and repayment terms are set out in note 14.

	Amount loaned	Balance outstanding	Interest payable in year
	1999	2000	2000
	£	£	£
RE France	50,000	-	1,673
RA Shane	200,000	90,000	13,499

Secured Property Developments plc

Form of Proxy

for use at the Annual General Meeting
on 24 May 2001

I/We _____

(Please insert full name in BLOCK CAPITALS)

of _____

(Please insert address in BLOCK CAPITALS)

being (a) member(s) of the above named Company HEREBY APPOINT the Chairman of the meeting (see note 6)

to act as my/our proxy at the Annual General Meeting of the Company to be held on 24 May 2001
and at any adjournment thereof, and to vote on my/our behalf as indicated below:

Resolution No.	For	Against
1. To adopt Directors report and financial statements for the year ended 31 December 2000.		
2. To re-elect R E France as a director.		
3. To re-elect P R Stansfield as a director.		
4. To reappoint KPMG as Auditors and to authorise the Board to fix their remuneration.		

Please indicate with an "X" in the space provided how you wish your votes to be cast on a poll. Should this form be returned duly completed and signed, but without a specific direction, the proxy will vote or abstain at his discretion.

Dated _____ 2001 Signature _____

Notes

1. A proxy need not be a Member of the Company.
2. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names stand in the Register of Members
3. In the case of a corporation this proxy must be given under its Common Seal or be signed on its behalf by an officer, attorney or other person duly authorised.
4. To be valid this proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for holding the Meeting together, if appropriate, with the power of attorney or other authority under which is a signed or a potentially certified copy of such power or authority.
5. Any alterations made on this form should be initialled.
6. If it is desired to appoint as a proxy any person other than the Chairman of the Meeting, his/her name and address should be inserted in the relevant place, reference to the Chairman deleted and the alteration initialled.

Second fold along this line

Affix
stamp
here

Secured Property Developments p.l.c.
Rowlandson House
289/293 Ballards Lane
London
N12 8NP

First fold along
this line

Finally fold along this line and tuck in