

Company Registration No. 27000476 (England and Wales)

WOODSFORD COMMERCIAL PROPERTIES LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 1999



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WOODSFORD COMMERCIAL PROPERTIES LIMITED

DIRECTORS AND ADVISERS

Directors	Y.J.M. Bonavero	(Chairman)
	R.R. Lewis	(Managing Director)
	M.C. Dumas	
	R. J. Brown	
	R. F. Macaire	
	N. J. P. Sheehan	
Secretary	T.M. Denham	
Company number	27000476	
Registered office	12 Addison Avenue Holland Park London W11 4QR	
Registered auditors	Fraser Russell Fairview House 71-73 Woodbridge Road Guildford Surrey GU1 4YZ	
Business address	12 Addison Avenue Holland Park London W11 4QR	

WOODSFORD COMMERCIAL PROPERTIES LIMITED

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WOODSFORD COMMERCIAL PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 1999

The directors present their report and financial statements for the year ended 31 August 1999.

Directors

The following directors have held office since 1 September 1998:

Y.J.M. Bonavero
R.R. Lewis
M.C. Dumas
R. J. Brown
R. F. Macaire
N. J. P. Sheehan

Principal activities and review of the business

The principal activity of the company is that of the management of its subsidiary undertakings.

The group's principal activity is that of property investment and management.

The directors are satisfied with the Group's results for the year.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4.

The directors do not recommend payment of an ordinary dividend.

It is proposed that the retained profit of £299,877 is transferred to the group's reserves.

Fixed assets

The significant changes in the fixed assets during the year are explained in note 8 and 9 to the financial statements.

Post balance sheet events

Subsequent to the year end, contracts have been conditionally exchanged to sell the entire issued share capital of the company.

Directors' interests

The directors' beneficial interests in the shares of the company and other group companies were as stated below:

	Ordinary shares of £1 each	
	31 August 1999	1 September 1998
Y.J.M. Bonavero	403,418	403,418
R.R. Lewis	16,743	16,743
M.C. Dumas	80,619	80,619
R.J. Brown	-	-
R.F. Macaire	322,477	322,477
N.J.P. Sheehan	-	-

Y.J.M Bonavero's shares are ultimately held by a discretionary trust of which he is a potential beneficiary

WOODSFORD COMMERCIAL PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 1999

Taxation status

The company was a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Auditors

The auditors, Fraser Russell, are willing to be reappointed in accordance with Section 385 of the Companies Act 1985.

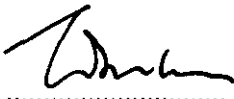
Directors' responsibilities

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 group and of the profit or loss of the group 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 group 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 the group and to enable 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board


.....

14 OCT 1999
.....

WOODSFORD COMMERCIAL PROPERTIES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF WOODSFORD COMMERCIAL PROPERTIES LIMITED

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

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



Fraser Russell

14 October 1999

Chartered Accountants
Registered Auditor

Fairview House
71-73 Woodbridge Road
Guildford
Surrey
GU1 4YZ

WOODSFORD COMMERCIAL PROPERTIES LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1999

	Notes	1999 £	1998 £
Turnover	2	2,292,367	2,251,063
Administrative expenses		(255,468)	(269,047)
Operating profit	3	2,036,899	1,982,016
Other interest receivable and similar income	4	20,509	24,263
Interest payable and similar charges	5	(1,757,531)	(1,757,532)
Profit on ordinary activities before taxation	3	299,877	248,747
Tax on profit on ordinary activities	6	-	242
Profit on ordinary activities after taxation		299,877	248,989

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WOODSFORD COMMERCIAL PROPERTIES LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 AUGUST 1999

	1999 £	1998 £
Profit for the financial year	299,877	248,989
Unrealised surplus on revaluation of properties	1,000,000	750,000
Total recognised gains and losses relating to the year	<u>1,299,877</u>	<u>998,989</u>

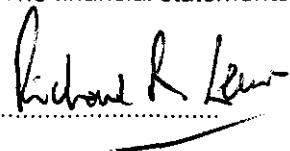
WOODSFORD COMMERCIAL PROPERTIES LIMITED

BALANCE SHEETS AS AT 31 AUGUST 1999

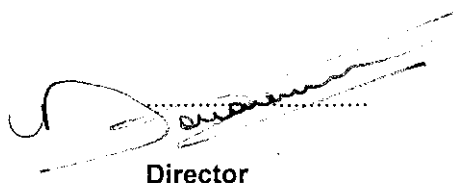
		Group		Company	
	Notes	1999 £	1998 £	1999 £	1998 £
Fixed assets					
Tangible assets	8	25,500,000	24,512,092	-	12,092
Investments	9	-	-	13	13
		<u>25,500,000</u>	<u>24,512,092</u>	<u>13</u>	<u>12,105</u>
Current assets					
Debtors	10	21,360	6,420	1,527,657	1,687,115
Cash at bank and in hand		219,080	251,238	219,080	251,238
		<u>240,440</u>	<u>257,658</u>	<u>1,746,737</u>	<u>1,938,353</u>
Creditors: amounts falling due within one year	11	(6,292,609)	(558,787)	(170,982)	(114,523)
Net current assets		<u>(6,052,169)</u>	<u>(301,129)</u>	<u>1,575,755</u>	<u>1,823,830</u>
Total assets less current liabilities		19,447,831	24,210,963	1,575,768	1,835,935
Creditors: amounts falling due after more than one year	12	(13,176,990)	(19,240,000)	(226,990)	(550,000)
		<u>6,270,841</u>	<u>4,970,963</u>	<u>1,348,778</u>	<u>1,285,935</u>
Capital and reserves					
Called up share capital	13	1,000,000	1,000,000	1,000,000	1,000,000
Revaluation reserve	14	3,880,398	2,880,398	-	-
Profit and loss account	14	1,390,443	1,090,565	348,778	285,935
Shareholders' funds - equity interests	15	<u>6,270,841</u>	<u>4,970,963</u>	<u>1,348,778</u>	<u>1,285,935</u>

14 OCT 1999

The financial statements were approved by the board on



Director



Director

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention as modified to include the revaluation of freehold land and buildings.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 August 1999. The results of subsidiary undertakings sold and acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

Turnover represents the total rent and fees receivable, excluding value added tax, during the year.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets include investment properties professionally valued by the directors on an existing use open market value basis. Other tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Over term of the lease
Fixtures, fittings & equipment	Over three years

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

	1999 £	1998 £
Operating profit is stated after charging:		
Depreciation of tangible assets	9,993	22,471
Operating lease rentals - land and buildings	15,600	15,600
Auditors' remuneration (company £9,600; 1998 : £9,000)	9,600	9,000

The 1999 figures for depreciation and operating lease rentals include the element recharged by Woodsford Consulting Limited.

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

4	Other interest receivable and similar income	1999 £	1998 £
	Bank interest	20,509	24,256
	Other interest	-	7
		<u>20,509</u>	<u>24,263</u>

5	Interest payable	1999 £	1998 £
	On other loans wholly repayable within 5 years	<u>1,757,531</u>	<u>1,757,532</u>

6	Taxation	£	£
	U.K. current year taxation		
	Prior years		
	U.K. Corporation tax	<u>-</u>	<u>(242)</u>

7 Profit for the financial year

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:

	1999 £	1998 £
Holding company's profit for the financial year	<u>62,842</u>	<u>46,720</u>

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

8 Tangible fixed assets Group

	Land and buildings Freehold £	Leasehold improve ments £	Fixtures, fittings & equipment £	Total £
Cost or valuation				
At 1 September 1998	24,500,000	43,259	37,260	24,580,519
Additions	-	-	2,790	2,790
Revaluation	1,000,000	-	-	1,000,000
Disposals	-	(43,259)	(40,050)	(83,309)
	<u>25,500,000</u>	<u>-</u>	<u>-</u>	<u>25,500,000</u>
Depreciation				
At 1 September 1998	-	40,598	27,829	68,427
On disposals	-	(41,779)	(29,993)	(71,772)
Charge for the year	-	1,181	2,164	3,345
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 August 1999	-	-	-	-
Net book value				
At 31 August 1999	<u>25,500,000</u>	<u>-</u>	<u>-</u>	<u>25,500,000</u>
At 31 August 1998	<u>24,500,000</u>	<u>2,661</u>	<u>9,431</u>	<u>24,512,092</u>

The properties were revalued on 31 August 1999 by the directors in consultation with outside professional advisors on the basis of open market value for current use.

Woodsford Properties (Greenock) Limited has the option to purchase the freehold reversion of the long leasehold in 2014 for £1 and therefore this property is included within category of "land and buildings freehold". The historical cost of the freehold properties was £21,619,602.

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

8 Tangible fixed assets (continued) Company

	Leasehold improve ments £	Fixtures, fittings & equipment £	Total £
Cost			
At 1 September 1998	43,259	37,260	80,519
Additions	-	2,790	2,790
Disposals	(43,259)	(40,050)	(83,309)
	<hr/>	<hr/>	<hr/>
At 31 August 1999	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 September 1998	40,598	27,829	68,427
On disposals	(41,779)	(29,993)	(71,772)
Charge for the year	1,181	2,164	3,345
	<hr/>	<hr/>	<hr/>
At 31 August 1999	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 August 1999	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 August 1998	2,661	9,431	12,092
	<hr/>	<hr/>	<hr/>

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

9 Fixed asset investments Company

	Shares in subsidiary undertakings £
Cost	
At 1 September 1998 & at 31 August 1999	13
At 31 August 1998	13

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Woodsford Properties (Barnet) Limited	England	Ordinary	100
Woodsford Properties (Bootle) Limited	England	Ordinary	100
Woodsford Properties (Bristol) Limited	England	Ordinary	100
Woodsford Properties (Crawley) Limited	England	Ordinary	100
Woodsford Properties (Dalkeith) Limited	England	Ordinary	100
Woodsford Properties (Greenock) Limited	England	Ordinary	100
Woodsford Properties (Norton) Limited	England	Ordinary	100
Woodsford Properties (Redditch) Limited	England	Ordinary	100
Woodsford Properties (Swansea) Limited	England	Ordinary	100
Woodsford Properties (Wigston) Limited	England	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Woodsford Properties (Barnet) Limited	Property Investment
Woodsford Properties (Bootle) Limited	Property Investment
Woodsford Properties (Bristol) Limited	Property Investment
Woodsford Properties (Crawley) Limited	Property Investment
Woodsford Properties (Dalkeith) Limited	Property Investment
Woodsford Properties (Greenock) Limited	Property Investment
Woodsford Properties (Norton) Limited	Property Investment
Woodsford Properties (Redditch) Limited	Property Investment
Woodsford Properties (Swansea) Limited	Property Investment
Woodsford Properties (Wigston) Limited	Property Investment

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

The company also holds 100% of the issued share capital of Woodsford Properties (Cheltenham) Limited which is dormant.

10 Debtors

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Amounts owed by group undertakings	-	-	1,526,763	1,683,955
Prepayments and accrued income	21,360	6,420	894	3,160
	<u>21,360</u>	<u>6,420</u>	<u>1,527,657</u>	<u>1,687,115</u>

11 Creditors : amounts falling due within one year

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Bank loans and overdrafts	5,740,000	-	-	-
Amounts owed to group undertakings	-	-	118,307	50,044
Taxes and social security costs	165,143	164,767	31,167	34,150
Accruals and deferred income	387,466	394,020	21,508	30,329
	<u>6,292,609</u>	<u>558,787</u>	<u>170,982</u>	<u>114,523</u>

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

12 Creditors : amounts falling due after more than one year

	Group		Company	
	1999	1998	1999	1998
	£	£	£	£
Bank loans	12,950,000	18,690,000	-	-
Other loans	226,990	550,000	226,990	550,000
	<u>13,176,990</u>	<u>19,240,000</u>	<u>226,990</u>	<u>550,000</u>
Analysis of loans				
Wholly repayable within five years	18,916,990	19,240,000	226,990	550,000
Included in current liabilities	(5,740,000)	-	-	-
	<u>13,176,990</u>	<u>19,240,000</u>	<u>226,990</u>	<u>550,000</u>
Between one and two years	226,990	6,290,000	-	-
Between two and five years	12,950,000	12,950,000	-	-
	<u>13,176,990</u>	<u>19,240,000</u>	<u>226,990</u>	<u>550,000</u>

The unsecured loan notes are interest free and repayable in full on or before 15 February 2001.

£2,740,000 of the secured loans are repayable on 30 June 2000. Interest is payable quarterly at a rate of 9.86%.

£3,000,000 of the secured loans are repayable on 31 December 1999. Interest is payable quarterly and is charged at a rate of 10.3% reducible by 2% per annum on punctual payment.

The remaining £12,950,000 of secured loans are repayable on 31 December 2001. Interest is charged quarterly at fixed rates of between 10.90% and 12.49% reducible by 2% on punctual payment.

These loans are secured by charges on the investment properties and all property rights and assets of the subsidiary taking out the loan.

Woodsford Properties (Barnet) Limited, Woodsford Properties (Bootle) Limited, Woodsford Properties (Crawley) Limited, Woodsford Properties (Norton) Limited, Woodsford Properties (Redditch) Limited and Woodsford Properties (Swansea) Limited have provided a limited cross guarantee to the value of £300,000 in respect of the debts of Woodsford Properties (Bristol) Limited.

Woodsford Commercial Properties Limited has agreed to compensate a third party in the event that they suffer any losses as a result of providing guarantees for the borrowings of Woodsford Properties (Greenock) Limited and Woodsford Properties (Dalkeith) Limited.

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

13 Provisions for liabilities and charges

Deferred tax is calculated at 30% (1998 - 31%) and the amounts provided and unprovided are analysed over the following timing differences:

Group

	Not provided		Provided	
	1999	1998	1999	1998
	£	£	£	£
Surplus on revaluation of land and buildings	460,511	387,496	-	-
	<u>460,511</u>	<u>387,496</u>	<u>-</u>	<u>-</u>

The figures above relate to unprovided deferred tax on the revalued investment properties held by the subsidiary companies. The comparatives have been recalculated to be consistent with 1999's figures.

14 Share capital

	1999	1998
	£	£
Authorised		
1,000,000 Ordinary of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1,000,000 Ordinary of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

15 Statement of movements on reserves

Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 September 1998	2,880,398	1,090,566
Retained profit for the year	-	299,877
Revaluation during the year	<u>1,000,000</u>	<u>-</u>
Balance at 31 August 1999	<u>3,880,398</u>	<u>1,390,443</u>

Company

	Profit and loss account £
Balance at 1 September 1998	285,936
Retained profit for the year	<u>62,842</u>
Balance at 31 August 1999	<u>348,778</u>

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

16 Reconciliation of movements in shareholders' funds	1999	1998
Group	£	£
Profit for the financial year	299,877	248,989
Other recognised gains and losses	1,000,000	750,000
Net addition to shareholders' funds	1,299,877	998,989
Opening shareholders' funds	4,970,963	3,971,974
Closing shareholders' funds	6,270,841	4,970,963

17 Financial commitments

At 31 August 1999 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1999	1998
	£	£
Expiry date:		
Between two and five years	-	15,600

During the year the financial commitments were taken over by Woodsford Consulting Limited.

18 Directors' emoluments	1999	1998
	£	£
Emoluments for qualifying services	92,426	93,050

Included in the above is a recharge from Woodsford Consulting Limited of £55,840.

Included in remuneration is £22,120 (1998 - £70,320) paid to Ronelle Holdings Limited and £8,666 (1998 - £5,617) paid to Dartmouth Estates Ltd, companies in which different directors have an interest. These figures are included in the total of employment costs shown below.

WOODSFORD COMMERCIAL PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

19 Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1999 Number	1998 Number
Administration	6	7
Employment costs		
	£	£
Wages and salaries	172,655	167,890
Social security costs	1,934	5,379
	174,589	173,269

The above figure includes recharges from Woodford Consulting Limited

20 Related party transactions

Group

The company has taken advantage of the exemption conferred by FRS 8 not to disclose transactions made with its subsidiary companies.

During the year the shared administration costs were taken over by Woodsford Consulting Limited, a company in which two of the directors have an interest. Therefore in the year to 31 August 1999 this company charged Woodsford Commercial Properties Limited a total of £60,285 for its share of these costs, whereas in the comparative period, Woodsford Commercial Properties Limited charged Woodsford Consulting Limited £61,596. All transactions are made under normal business terms.

21 Post Balance Sheet Events

Group

Subsequent to the year end, contracts have been conditionally exchanged to sell the entire issued share capital of the company.