



ANTLER PROPERTY INVESTMENTS PLC

Report and Financial Statements

31 March 2001



**Deloitte & Touche
Grosvenor House
66/67 Athol Street
Douglas
Isle of Man
IM99 1XJ**

REPORT AND FINANCIAL STATEMENTS 2001

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REPORT AND FINANCIAL STATEMENTS 2001

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Robert J Dodd FCCA
Thomas C L Pissarro MRICS
Iain M Ramsay
Alan A Welsh BSc MRICS
Colin T Whitelaw BSc MRICS

SECRETARY

Robert J Dodd FCCA

REGISTERED OFFICE

The Old Warehouse
37 Church Street
Weybridge
Surrey
KT13 8DG

PRINCIPAL BANKERS

Barclays Bank Plc
PO Box 544
54 Lombard Street
London EC3V 9EX

SOLICITORS

Collyer Bristow
4 Bedford Row
London WC1R 4DF

AUDITORS

Deloitte & Touche
Grosvenor House
66/67 Athol Street
Douglas
Isle of Man
IM99 1XJ

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2001.

ACTIVITY

Antler Property Investments Plc is the parent undertaking of a group of companies which are engaged in property investment and the provision of professional services.

GROUP REORGANISATION

A group reorganisation during the year removed Antler Property Investments Plc and its subsidiaries (previously fellow subsidiaries and an associated company) from the Antler Homes Plc group (previously Antler Property Corporation Plc group). Antler Property Investments Plc is now a subsidiary of Antler Property Corporation Limited.

CREDITORS

It is company policy to agree and clearly communicate the terms of payment as part of the commercial arrangement negotiated with suppliers and then to pay according to those terms based upon the timely receipt of an accurate invoice.

RESULTS AND DIVIDENDS

The company made a loss of £696,987 (2000 : £nil). The directors do not recommend the payment of a dividend (2000 : £nil).

DIRECTORS

The present membership of the Board is set out on page 1. All the directors served throughout the year and to date with the following exceptions:

Colin T Whitelaw Appointed 3 April 2000

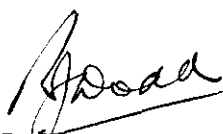
Robert J Dodd Appointed 5 March 2001

No director has or had at any time during the year any beneficial interest in the shares of the company.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


R J Dodd

Secretary

24 September 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF

ANTLER PROPERTY INVESTMENTS PLC

We have audited the financial statements on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. 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 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 company's affairs as at 31 March 2001 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



DELOITTE & TOUCHE

Chartered Accountants and Registered Auditors

24 September 2001

PROFIT AND LOSS ACCOUNT**Year ended 31 March 2001**

| | Note | 2001 £ | 2000 £ |
|---|------|-------------|-----------|
| Turnover | | - | - |
| Cost of sales | | - | - |
| Gross profit | | - | - |
| Administrative expenses | | (1,818,308) | - |
| Other operating income | 2 | 726,683 | - |
| Operating loss | 3 | (1,091,625) | - |
| Interest receivable and similar income | 5 | 19,785 | - |
| Interest payable and similar charges | | (3,666) | - |
| Loss on ordinary activities before taxation | | (1,075,506) | - |
| Tax credit on loss on ordinary activities | 6 | 378,519 | - |
| Loss for the financial year | 14 | (696,987) | - |

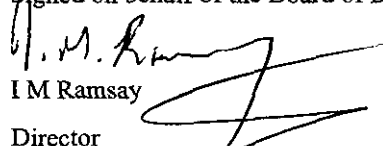
The directors consider that the company's activities are continuing. As there are no recognised gains or losses or other movements in shareholders' funds for the year except as stated in the profit and loss account, a Statement of Total Recognised Gains and Losses and a Reconciliation of Movements in Shareholders' Funds have not been prepared.

BALANCE SHEET
31 March 2001

| | Note | £ | 2001 £ | £ | 2000 £ |
|---|------|-----------|-----------|--------|-----------|
| FIXED ASSETS | | | | | |
| Tangible assets | 7 | 79,441 | | - | |
| Investments | 8 | 155,800 | | - | |
| | | | 235,241 | | - |
| CURRENT ASSETS | | | | | |
| Other debtors | | 17,450 | | - | |
| Amount owed by parent undertaking | | 666,863 | | 12,501 | |
| Prepayments and accrued income | | 28,173 | | - | |
| Cash at bank and in hand | | 60,047 | | - | |
| | | 772,533 | | 12,501 | |
| CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR | | | | | |
| Obligations under hire purchase contracts | | 14,295 | | - | |
| Trade creditors | | 10,279 | | - | |
| Amounts owed to group undertakings | | 515,468 | | - | |
| Other creditors | | 1,105 | | - | |
| Accruals and deferred income | 9 | 1,082,095 | | - | |
| | | 1,623,242 | | - | |
| NET CURRENT (LIABILITIES)/ASSETS | | | (850,709) | | 12,501 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | (615,468) | | - |
| CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | | | | | |
| | 10 | | (31,519) | | - |
| TOTAL NET (LIABILITIES)/ASSETS | | | (646,987) | | 12,501 |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 13 | | 50,000 | | 12,501 |
| Profit and loss account | 14 | | (696,987) | | - |
| EQUITY SHAREHOLDERS' FUNDS | | | (646,987) | | 12,501 |

These financial statements were approved by the Board of Directors on 24 Sept 2001.

Signed on behalf of the Board of Directors


I M Ramsay
Director

NOTES TO THE ACCOUNTS
Year ended 31 March 2001**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

The directors have confirmed that the parent company has agreed to provide financial support to enable the company to meet any shortfall in the company's ability to meet its liabilities as they fall due. On this basis the directors are satisfied that the going concern basis of preparation of these financial statements continues to remain appropriate.

Basis of consolidation

The Antler Property Investments Plc group is classified as a small group and is therefore exempt from preparing consolidated financial statements under FRS 2, paragraph 21(a). The results of this group will be consolidated in the accounts of Antler Property Corporation Limited, the ultimate parent company.

Tangible fixed assets

Assets are depreciated in equal instalments over their estimated useful lives. The rates of depreciation are as follows:

| | |
|----------------------------------|-----|
| Motor vehicles | 25% |
| Fixtures, fittings and equipment | 35% |

Deferred taxation

Deferred taxation is provided on timing differences arising from the different treatment of items for accounting and taxation purposes, calculated at the rates at which it is expected that tax will arise.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Pension and other post retirement benefits

The company operates a money purchase pension scheme. Contributions are charged to the profit and loss account in the period to which they relate.

2. OTHER OPERATING INCOME

Included in this balance is an amount of £720,773 which relates to management fees charged to other group companies for professional services provided.

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

3. OPERATING LOSS

| | 2001 £ | 2000 £ |
|---|----------------|-----------|
| Operating loss is stated after charging: | | |
| Depreciation | 38,953 | - |
| Auditors' remuneration | | |
| - audit fees | 5,355 | - |
| - other services | 19,300 | - |
| Rentals under operating leases (other operating leases) | 72,880 | - |
| | <u>128,138</u> | <u>-</u> |

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

| | 2001 £ | 2000 £ |
|--|------------------|-----------|
| Directors' fees and other emoluments | 1,089,788 | - |
| Other pension and life assurance costs | 43,780 | - |
| | <u>1,133,568</u> | <u>-</u> |

Three directors are members of a money purchase pension scheme and accrued benefits during the year under that scheme (2000 : nil)

| | | |
|--|----------------|----------|
| Remuneration of highest paid director | 687,763 | - |
| Employee costs during the year: | | |
| Wages and salaries | 158,556 | - |
| Social security costs | 22,017 | - |
| Other pension and life assurance costs | 10,822 | - |
| | <u>191,395</u> | <u>-</u> |

The average number of persons employed was 7 (2000 : 7).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2001 £ | 2000 £ |
|---------------------|---------------|-----------|
| Interest receivable | 19,785 | - |
| | <u>19,785</u> | <u>-</u> |

NOTES TO THE ACCOUNTS

Year ended 31 March 2001

6. TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

| | 2001 £ | 2000 £ |
|---|-----------|-----------|
| Payment is made to the recipient of losses surrendered for group relief and calculated at the rate of 30% of the loss surrendered | | |
| Tax credit for losses surrendered @ 30% | 378,519 | - |

7. TANGIBLE FIXED ASSETS

| | Motor vehicles, furniture and equipment £ |
|--|---|
| Cost | |
| At 1 April 2000 | |
| Additions – at cost from fellow subsidiary | 217,884 |
| Disposals | (61,172) |
| At 31 March 2001 | 156,712 |
| Accumulated depreciation | |
| At 1 April 2000 | |
| Transfer from fellow subsidiary | 97,620 |
| Charge for the year | 38,953 |
| Disposals | (59,302) |
| At 31 March 2001 | 77,271 |
| Net book value | |
| At 31 March 2001 | 79,441 |
| At 31 March 2000 | - |

Assets having a net book value of £46,742 are held under hire purchase agreements.

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

8. INVESTMENTS

| | 2001 £ | 2000 £ |
|--|-------------|-----------|
| Investments in subsidiary undertakings | | |
| At 1 April 2000 | - | - |
| Additions | 3,869,830 | - |
| Transfer to group company | (3,714,030) | - |
| | <hr/> | <hr/> |
| At 31 March 2001 | 155,800 | - |
| | <hr/> | <hr/> |

During the year the following subsidiary undertakings were transferred to Antler Property Investments Plc from the Antler Homes Plc group (previously Antler Property Corporation Plc group) at book value:

| <u>Subsidiary undertakings</u> | <u>Country of incorporation and operation</u> | <u>Activity</u> | <u>Proportion of ordinary shares held</u> |
|--|---|-----------------------|---|
| Landa Asset Management Plc | United Kingdom | Professional services | 100% |
| Antler Assets Limited | United Kingdom | Dormant | 100% |
| Antler Property Corporation Limited (UK) | United Kingdom | Dormant | 100% |
| Snowbed Properties Limited | United Kingdom | Property trading | 100% |

On 26 March 2001 the company acquired a 100% investment in Weybridge Land and Properties Limited (formerly Sogea Properties (UK) Limited). On 26 March 2001 the company transferred its ownership of this company to Antler Commercial Investments Limited.

9. ACCRUALS AND DEFERRED INCOME

Included in this balance are the following amounts: £888,989 which relates to remuneration and social security costs payable and £171,853 which relates to abortive acquisition costs for a property portfolio.

10. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2001 £ | 2000 £ |
|--|-----------|-----------|
| Obligations under hire purchase agreements (note 11) | 28,463 | - |
| Other creditors | 3,056 | - |
| | <hr/> | <hr/> |
| | 31,519 | - |
| | <hr/> | <hr/> |

NOTES TO THE ACCOUNTS
Year ended 31 March 2001

11. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

| | 2001 £ | 2000 £ |
|---------------------------------|---------------|-----------|
| Minimum lease payments payable: | | |
| Within one year | 14,295 | - |
| Within one to two years | 28,463 | - |
| Within two to five years | - | - |
| | <u>42,758</u> | <u>-</u> |

12. OPERATING LEASE COMMITMENTS

At 31 March 2001 the company was committed to making the following payments during the next year in respect of operating leases:

| | Land and buildings 2001 £ | Land and buildings 2000 £ |
|----------------------|------------------------------------|------------------------------------|
| Leases which expire: | | |
| After five years | <u>72,880</u> | <u>-</u> |

13. CALLED UP SHARE CAPITAL

| | 2001 £ | 2000 £ |
|--|---------------|---------------|
| Ordinary shares of £1 each | | |
| Authorised – 50,000 shares | <u>50,000</u> | <u>50,000</u> |
| Allotted and fully paid – 2 shares | 2 | 2 |
| Allotted and fully paid – 49,998 shares (2000 – 25p paid per share) | <u>49,998</u> | <u>12,499</u> |
| | <u>50,000</u> | <u>12,501</u> |

On 19 February 2001 it was resolved by the Board of Directors to make a call of 75 pence per share on the 49,998 issued ordinary £1.00 shares of the company. This call was made as part of the funding for a group reorganisation.

Group Reorganisation

A group reorganisation during the year removed Antler Property Investments Plc and its subsidiaries (previously fellow subsidiaries and an associated company) from the Antler Homes Plc group (previously Antler Property Corporation Plc group). Antler Property Investments Plc is now a subsidiary of Antler Property Corporation Limited.

NOTES TO THE ACCOUNTS

Year ended 31 March 2001

14. PROFIT AND LOSS ACCOUNT

| | 2001 £ | 2000 £ |
|---------------------|-----------|-----------|
| Loss for the year | (696,987) | - |
| Balance at 31 March | (696,987) | - |

15. RELATED PARTY TRANSACTIONS

During the year the company paid the following amounts to other group companies:

Rent of £72,880 to Antler Securities Limited

During the year the company received the following amounts from other group companies:

| | |
|---|---------|
| Dividends of from Antler Assets Limited | 214,773 |
|---|---------|

Management fees as follows:

| | |
|--|---------|
| Antler Homes Plc | 380,000 |
| Antler Retail Investments Limited | 2,050 |
| Antler Investments Limited | 30,000 |
| Antler Securities Limited | 21,000 |
| Antler Securities Fulham Limited | 2,200 |
| Antler Property Investments Plympton 1 Limited | 3,700 |
| Antler Property Investments Plympton 2 Limited | 3,150 |
| Antler Property Investments Windsor Limited | 2,600 |
| Antler Commercial Investments Limited | 53,000 |
| Antler Commercial Investments Slough Limited | 2,300 |
| Antler Securities Limited (formerly Ashen Limited) | 6,000 |

All of the above companies (excluding Antler Securities Limited (formerly Ashen Limited) and Antler Homes Plc (formerly Antler Property Corporation Plc)) have been sold prior to the year end.

16. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company is incorporated in England and Wales and is a wholly owned subsidiary of Antler Property Corporation Limited. The directors consider the ultimate parent company to be to be Antler Property Corporation Limited, a company having been incorporated in Bermuda, discontinued and now holding a certificate of continuance in the British Virgin Islands.

Antler Property Corporation Limited is considered to be the controlling party of the company. The ultimate controlling party is considered to be the Trustee of the P S Gower Settlement.