

D K PROPERTIES (WOOLSTON) LIMITED

Company Registration No. 03008724

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2000**



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Report and financial statements
For the period ended 31 December 2000

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Company Information

Directors	C F Eminson A A Keith R J Burgess
Secretary	W R Johnston
Business address	77 Newman Street London W1P 3EW
Registered office	77 Newman Street London W1P 3EW
Auditors	Deloitte & Touche Chartered Accountants and Registered Auditors Verulam Point St. Albans AL1 5HE
Solicitors	Clyde & Co 51 Eastcheap London EC3M 1JP

Directors' Report

For the period ended 31 December 2000

The directors present their annual report and the audited financial statements for the 14 months ended 31 December 2000.

Principal activity and review of developments

The principal activity of the company throughout the period was the development of property for retention as investments. In the opinion of the directors, the state of the company's affairs is satisfactory and is expected to continue as such.

Dividends

The directors do not recommend the payment of a dividend. (1999:nil)

Directors and their interests

The directors who served during the period were:

C F Eminson	Appointed 20th December 1999
A A Keith	Appointed 9th March 2000
R J Burgess	Appointed 20th December 1999
M L Fay	Resigned 20th December 1999
L D I Fay	Resigned 20th December 1999

The beneficial interests of the directors in the issued share capital of the company were as follows:

	31st October 1999	Date of appointment or resignation	31st December 2000
M L Fay	-	-	-
L D I Fay	-	-	-
C F Eminson	-	-	-
A A Keith	-	-	-
R J Burgess	-	-	-

On 20th December 1999 the entire issued share capital of the company was acquired by Primary Medical Property Investments Limited. Messrs A A Keith, C F Eminson, and R J Burgess are also directors of Primary Medical Property Limited, the company's ultimate holding company. Their interests in the shares of Primary Medical Property Limited are shown in the financial statements of that company.

At 31st October 1999 and 20th December 1999 M L Fay and L D I Fay were discretionary beneficiaries of the Crofton Discretionary Trust, the trustees of which held the entire share capital of the company's then ultimate parent undertaking, Crofton Holdings Inc.

Directors' Report (continued)
For the period ended 31 December 2000

Auditors

A resolution for the re-appointment of Deloitte & Touche as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

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 company's state of affairs at the end of the financial year 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 ;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements ;
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



W R Johnston
Secretary
26 April 2001

Auditors' report

To the members of D K Properties (Woolston) Limited

We have audited the financial statements on pages 5 to 11, which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of financial statements which have been prepared in accordance with 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 December 2000 and of its profit for the period from 1 November 1999 to 31 December 2000 and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors

Verulam Point

St. Albans

AL1 5HE

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Profit and Loss Account **For the Period ended 31 December 2000**

	Notes	14 Months ended 31 December 2000 £	10 Months ended 31 October 1999 £
Turnover		203,153	342,562
Cost of sales		-	275,913
Gross profit		203,153	66,649
Administrative expenses		24,604	109,081
Other operating income		-	147,341
Operating profit	1	178,549	104,909
Interest payable	2	90,648	111,561
Profit/(loss) on ordinary activities before taxation		87,901	(6,652)
Tax on profit/(loss) on ordinary activities	3	-	(42)
Profit/(loss) retained for the period	10	87,901	(6,694)

The results for the period and the preceding period derive from continuing operations.

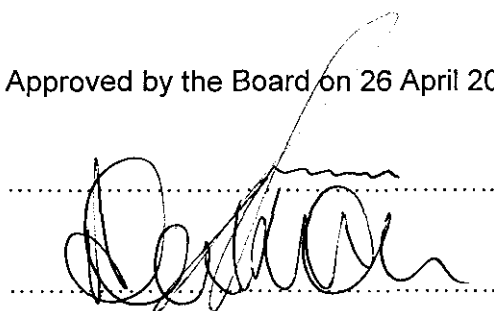
Statement of Total Recognised Gains and Losses **For the period ended 31 December 2000**

	14 Months ended 31 December 2000 £	10 Months ended 31 October 1999 £
Profit/(loss) for the financial period	87,901	(6,694)
Unrealised surplus on revaluation of investment properties	40,000	-
Total recognised gains relating to the financial period	127,901	(6,694)

Balance Sheet
31 December 2000

	Notes	31 December 2000 £	31 October 1999 £
Fixed assets			
Tangible assets			
Investment properties	4	2,290,000	2,250,000
Current assets			
Cash at bank and in hand		8,359	53,548
		8,359	53,548
Creditors			
Amounts falling due within one year	5	1,311,055	1,444,145
Net current liabilities		(1,302,696)	(1,390,597)
		987,304	859,403
Capital and reserves			
Called up share capital	6	2	2
Revaluation reserve	7	1,013,701	973,701
Profit and loss account	8	(26,399)	(114,300)
Equity shareholders' funds		987,304	859,403

Approved by the Board on 26 April 2001



R J Burgess, Director

A A Keith, Director

Reconciliation of Movements in Shareholders' Funds
For the period ended 31 December 2000

	14 Months Ended 31 December 2000 £	10 Months ended 31 October 1999 £
Profit/(loss) on ordinary activities after taxation	87,901	(6,694)
Net addition to shareholders' funds	<u>87,901</u>	<u>(6,694)</u>
Opening shareholders' funds	(114,300)	(107,606)
Closing shareholders' funds	<u>(26,399)</u>	<u>(114,300)</u>

Principal Accounting Policies

For the period ended 31 December 2000

Basis of accounting

The accounts have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Investment properties

Investment properties are revalued annually. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve unless a deficit (or its reversal) is expected to be permanent in which case it is charged (or credited) to the profit and loss account. Depreciation is not provided in respect of freehold investment properties or leasehold investment properties where the unexpired term of the lease is more than 20 years. The directors consider that this accounting policy which represents a departure from the statutory accounting rules is necessary to provide a true and fair view as required under SSAP 19. The financial effect of the departure from the statutory accounting rules cannot reasonably be quantified as depreciation or amortisation is only one of the many factors reflected in the annual valuation.

Turnover

Turnover represents rental income derived from the letting of properties owned by the company and services supplied in connection with those properties.

Purchases and sales

The purchase and sale of a property is recognised when contracts have been exchanged and there are no material conditions still to be satisfied.

Cash flow statement

The directors have taken advantage of the exemption, afforded to small companies, not to prepare a cash flow statement.

Notes to the financial statements
For the period ended 31 December 2000

1. Operating profit from continuing activities

	14 Months ended 31 December 2000	10 Months ended 31 October 1999
	£	£
Operating profit is stated after crediting :		
Interest receivable	-	49
And after charging:		
Loss on sale of assets	-	6,632
Auditors' remuneration - audit	-	5,000

The auditor's remuneration is borne by the company's ultimate holding company.

2. Interest payable

	14 Months ended 31 December 2000	10 Months ended 31 October 1999
	£	£
On bank loans and overdrafts	34	-
Other interest	90,614	111,561
	<u>90,648</u>	<u>111,561</u>

3. Tax on profit on ordinary activities

Unrelieved losses of approximately £697 (1999-£88,930) are carried forward and are available to reduce the tax liability in respect of future profits from the same trade.

4. Tangible Fixed Assets

Investment properties

	Freehold property
	£
Valuation	
As at 1 November 1999	2,250,000
Revaluation	40,000
As at 31 December 2000	<u>2,290,000</u>

Historic cost information

	31 December 2000 £	31 October 1999 £
Historical cost	1,291,524	1,291,524
Accumulated historical depreciation	15,225	15,225
	<u>1,276,299</u>	<u>1,276,299</u>

The investment properties were professionally valued, on an open market basis, in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors, by Stiles Harold Williams at the end of the financial year.

5. Creditors

Amounts falling due within one year:

	31 December 2000 £	31 October 1999 £
Amount due to Crofton Holdings Inc	-	1,298,685
Amount owed to Group undertakings	1,299,865	-
Corporation tax	-	42
Other taxation and social security	2,319	63,684
Other creditor	-	46,043
Accruals and deferred income	8,871	35,691
	<u>1,311,055</u>	<u>1,444,145</u>

6. Called up share capital

	31 December 2000 £	31 October 1999 £
Authorised		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

7. Revaluation reserve

	31 December 2000 £	31 October 1999 £
Balance as at 1 November 1999	973,701	973,701
Revaluation surplus in period	40,000	-
Balance as at 31 December 2000	<u>1,013,701</u>	<u>973,701</u>

8. Profit and loss account

	31 December 2000 £	31 October 1999 £
Balance as at 1 November 1999	(114,300)	(107,606)
Retained profit/(loss) for the period	87,901	(6,694)
Balance as at 31 December 2000	<u>(26,399)</u>	<u>(114,300)</u>

9. Directors' remuneration

The company had no employees during the period (or the preceding period) other than the directors. M L Fay received remuneration amounting to £21,600 in the period (1999: £81,000).

10. Ultimate parent company

The directors consider that the parent undertaking of this company is Primary Medical Property Investments Limited, which is registered in England and Wales.

The directors consider that the ultimate parent undertaking and ultimate controlling party of this Company is Primary Medical Property Limited, which is registered in England and Wales. Copies of the financial statements of this company may be obtained from 77 Newman Street, London W1P 3EW