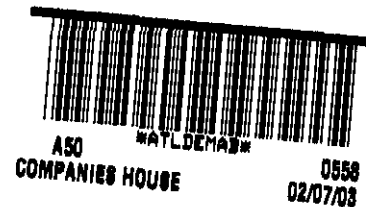


**BROOKSTREAM PROPERTIES LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR**  
**30 JUNE 2002**



**MICHAEL MOOR**  
Chartered Accountant & Registered Auditor  
190 Clonkeen Road  
Blackrock  
Dublin  
Ireland

# **BROOKSTREAM PROPERTIES LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2002**

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**BROOKSTREAM PROPERTIES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

<b>The board of directors</b>	Mr. L.A. Comer Mr. B.M. Comer
<b>Company secretary</b>	Grosvenor Financial Nominees Ltd.
<b>Registered office</b>	277 Green Lanes London N13 4XS
<b>Auditor</b>	Michael Moor Chartered Accountant & Registered Auditor 190 Clonkeen Road Blackrock Dublin Ireland
<b>Bankers</b>	Bank of Ireland 727 High Road, Finchley, London. N12 0BJ  Anglo Irish Bank Corporation plc 10 Old Jewry London EC2R 8DN
<b>Solicitors</b>	Jonathan S. Rose 693 High Road, Finchley, London. N12 0DA

# BROOKSTREAM PROPERTIES LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 30 JUNE 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2002.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was property development.

The company had a very successful year, selling thirty one units at Princess Park Manor for £10,715,261 and generating net profits before tax of £2,740,925. As the Directors of the company are employed by Opecprime Properties Ltd, a related company, a management charge of £1,000,000 was accepted from that company to reflect the management benefits accrued. The company had various planning applications lodged with the local Authority regarding newbuild units.

During the year the company expended further monies on the development of its Thameside properties. At the year end the position was unclear as to the effect the Ministerial Order regarding working wharves on the Thames would have on any future development, but the company is hopeful of a positive outcome.

The company is confident of further profits in the coming year. The planning application for the newbuild is ongoing.

#### RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

#### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 June 2002	At 1 July 2001
Mr. L.A. Comer	51	51
Mr. B.M. Comer	<u>33</u>	<u>33</u>

#### 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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on page 9, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# BROOKSTREAM PROPERTIES LIMITED

## THE DIRECTORS' REPORT *(continued)*

### YEAR ENDED 30 JUNE 2002

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. The directors 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.

#### DONATIONS

During the year the company made the following contributions:

	2002	2001
	£	£
Charitable	<u>1,568</u>	<u>627</u>

#### POST BALANCE SHEET EVENT

There were no important events affecting the company since the year end.

#### AUDITOR

A resolution to re-appoint Michael Moor as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
277 Green Lanes  
London  
N13 4XS

Signed by order of the directors

  
GROSVENOR FINANCIAL NOMINEES LTD.  
Company Secretary

Approved by the directors on 30 May 2003

**BROOKSTREAM PROPERTIES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE COMPANY**  
**PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

I have examined the abbreviated accounts on pages 5 to 12, together with the financial statements of the company for the year ended 30 June 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. My audit work has been undertaken so that I might state to the company's shareholders those matters I am required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for my audit work, for this report, or for the opinions I have formed.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR**

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

**BASIS OF AUDIT OPINION**

I have carried out the procedures I consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of my work for the purpose of this report did not include examining or dealing with events after the date of my report on the financial statements.

**OPINION**

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 5 to 12 are properly prepared in accordance with those provisions.

190 Clonkeen Road  
Blackrock  
Dublin  
Ireland

  
MICHAEL MOOR  
Chartered Accountant  
& Registered Auditor

30 May 2003

**BROOKSTREAM PROPERTIES LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 JUNE 2002**

	Note	2002 £	2001 £
<b>GROSS PROFIT</b>		5,116,679	3,236,958
Administrative expenses		<u>1,249,530</u>	<u>653,062</u>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>3,867,149</b>	<b>2,583,896</b>
Interest receivable		18,266	33,747
Interest payable	4	<u>(194,489)</u>	<u>(154,498)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>3,690,926</u>	<u>2,463,145</u>
Tax on profit on ordinary activities	5	1,124,196	871,884
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<u>2,566,730</u>	<u>1,591,261</u>
Balance brought forward		<u>4,858,459</u>	<u>3,267,198</u>
Balance carried forward		<u>7,425,189</u>	<u>4,858,459</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

# BROOKSTREAM PROPERTIES LIMITED

## BALANCE SHEET

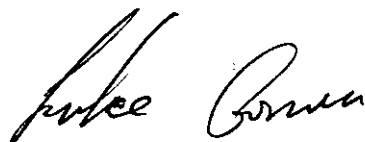
30 JUNE 2002

	Note	2002 £	2001 £
<b>CURRENT ASSETS</b>			
Stocks	6	10,895,406	9,957,440
Debtors	7	23,657	24,593
Cash at bank		1,548,428	702,075
		<u>12,467,491</u>	<u>10,684,108</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	<u>5,042,202</u>	<u>5,825,549</u>
<b>NET CURRENT ASSETS</b>		<u>7,425,289</u>	<u>4,858,559</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,425,289</u>	<u>4,858,559</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	100	100
Profit and Loss Account		<u>7,425,189</u>	<u>4,858,459</u>
<b>SHAREHOLDERS' FUNDS</b>	12	<u>7,425,289</u>	<u>4,858,559</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 30 May 2003 and are signed on their behalf by:

MR. L.A. COMER



MR. B.M. COMER





# BROOKSTREAM PROPERTIES LIMITED

## CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2002

	2002	2001
	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	3,993,061	(1,305,612)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	18,266	33,747
Interest paid	<u>(194,489)</u>	<u>(154,498)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	(176,223)	(120,751)
TAXATION	(1,242,835)	(276,239)
INCREASE/(DECREASE) IN CASH	<u>2,574,003</u>	<u>(1,702,602)</u>

### RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2002	2001
	£	£
Operating profit	3,867,149	2,583,896
Increase in stocks	(937,966)	(6,989,895)
Decrease in debtors	936	8,919,663
Increase/(decrease) in creditors	<u>1,062,942</u>	<u>(5,819,276)</u>
Net cash inflow/(outflow) from operating activities	<u>3,993,061</u>	<u>(1,305,612)</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002	2001
	£	£
Increase/(Decrease) in cash in the period	<u>2,574,003</u>	<u>(1,702,602)</u>
Movement in net funds in the period	<u>2,574,003</u>	<u>(1,702,602)</u>
Net debt at 1 July 2001	<u>(2,132,777)</u>	<u>(430,175)</u>
Net funds at 30 June 2002	<u>441,226</u>	<u>(2,132,777)</u>

# BROOKSTREAM PROPERTIES LIMITED

## CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30 JUNE 2002

### ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2001 £	Cash flows £	At 30 Jun 2002 £
Net cash:			
Cash in hand and at bank	702,075	846,353	1,548,428
Overdrafts	<u>(2,834,852)</u>	<u>1,727,650</u>	<u>(1,107,202)</u>
Net funds	<u>(2,132,777)</u>	<u>2,574,003</u>	<u>441,226</u>

**BROOKSTREAM PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2002**

**1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover represents sales of properties or interests in properties to outside parties. Sales are recognised on completion of contracts.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

Cost represents the total purchase costs and other ancillary professional fees but does not include any interest payable. Net realisable value is the amount at which the properties can be sold in the normal course of business after allowing for the costs of realisation.

**2. OPERATING PROFIT**

Operating profit is stated after charging:

	2002	2001
	£	£
Directors' emoluments	—	—
Auditor's remuneration		
- as auditor	<u>1,500</u>	<u>1,500</u>

**3. PARTICULARS OF EMPLOYEES**

The average number of staff employed by the company during the financial year amounted to:

	2002	2001
	No	No
Directors	<u>2</u>	<u>2</u>

No salaries or wages have been paid to employees, including the directors, during the year.

**4. INTEREST PAYABLE**

	2002	2001
	£	£
Interest payable on bank borrowing	127,729	78,905
Other similar charges payable	<u>66,760</u>	<u>75,593</u>
	<u>194,489</u>	<u>154,498</u>

**BROOKSTREAM PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2002**

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2002 £	2001 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2001 - 30%)	1,120,000	740,000
Over/under provision in prior year	4,196	131,884
Total current tax	<u>1,124,196</u>	<u>871,884</u>

**6. STOCKS**

	2002 £	2001 £
Stock	<u>10,895,406</u>	<u>9,957,440</u>

**7. DEBTORS**

	2002 £	2001 £
Other debtors	21,160	24,593
Prepayments and accrued income	2,497	—
	<u>23,657</u>	<u>24,593</u>

**8. CREDITORS: Amounts falling due within one year**

	2002 £	2001 £
Bank loans and overdrafts	1,107,202	2,834,852
Other creditors including taxation:		
Corporation tax	1,861,057	1,979,696
Other creditors	1,818,413	662,013
Directors current accounts	140,000	140,000
	<u>4,926,672</u>	<u>5,616,561</u>
Accruals and deferred income	115,530	208,988
	<u>5,042,202</u>	<u>5,825,549</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002 £	2001 £
Bank loans and overdrafts	<u>1,107,202</u>	<u>2,834,851</u>

Anglo Irish Bank Corporation plc hold a debenture to incorporate a first fixed legal charge over the company's property at Princess Park Manor, Friern Barnet Road, London N11, Hurlingham Wharf, London NW6 and Whiffen Wharf, Fulham.

**BROOKSTREAM PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2002**

**9. CONTINGENCIES**

The company has a liability contingent upon the footprint square footage of new build apartments over a maximum specified in the contract for the purchase of the Friern Barnet Hospital. The directors do not envisage that this footprint square footage will be exceeded and therefore no liability should arise.

The company acts as guarantors to Anglo Irish Bank Corporation plc for cross collateralised loan facilities extended to Opecprime Properties Ltd., Sancroft Properties Ltd., Balcraft Properties Ltd. and Ridgeland Properties Ltd. The liabilities outstanding to the bank in these companies at the year end was as follows:

Opecprime Properties Ltd.	£10,547,070
Sancroft Properties Ltd.	3,600,289
Balcraft Properties Ltd.	2,009,735
Ridgeland Properties Ltd.	49,199,189

**10. RELATED PARTY TRANSACTIONS**

The company was under the control of Mr. L.A. Comer and Mr. B.M. Comer throughout the current and previous year. Mr. L.A. Comer is the managing director and majority shareholder.

The company provided the majority of the funding for Opecprime Development Ltd., which carried out building and development works for the company on its site at Friern Barnet Road.

The indebtedness to related companies at the year end was as follows:

Opecprime Properties Ltd.	£1,277,600
---------------------------	------------

This amount is included in other creditors.

The notes above on Creditors and on Contingent Liabilities contain further information regarding related parties.

**11. SHARE CAPITAL****Authorised share capital:**

	2002	2001
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**Allotted, called up and fully paid:**

	2002		2001	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**BROOKSTREAM PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2002**

**12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2002 £	2001 £
Profit for the financial year	2,566,730	1,591,261
Opening shareholders' equity funds	<u>4,858,559</u>	<u>3,267,298</u>
Closing shareholders' equity funds	<u>7,425,289</u>	<u>4,858,559</u>