

**BROOKSTREAM PROPERTIES LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**FOR**  
**30 JUNE 2001**



**MICHAEL MOOR**

Chartered Accountants & Registered Auditor  
190 Clonkeen Road,  
Blackrock,  
Co. Dublin.

**BROOKSTREAM PROPERTIES LIMITED**  
**ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2001**

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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 Accountants & Registered Auditor 190 Clonkeen Road, Blackrock, Co. Dublin.
<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 2001

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2001.

### 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 four units at Princess Park Manor for £10,314,686 and generating net profits before tax of £2,463,145. As the Directors of the company are employed by Opecprime Properties Ltd, a related company, a management charge of £500,000 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 purchased (1) a site at Whiffen Wharf, Fulham and will be seeking planning permission for riverside residential units and (2) a joint venture interest in a site at Mast Quay, Woolwich.

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 2001	At 1 July 2000
Mr. L.A. Comer	51	51
Mr. B.M. Comer	33	33
	<u>          </u>	<u>          </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 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 2001

### DIRECTORS' RESPONSIBILITIES *(continued)*

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:

	2001	2000
	£	£
Charitable	<u>627</u>	<u>824</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 31 May 2002

**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 2001 prepared under Section 226 of the Companies Act 1985.

**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.

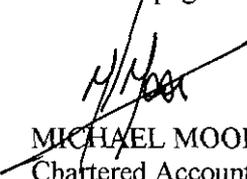
**BASIS OF OPINION**

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,  
Co. Dublin.

  
MICHAEL MOOR  
Chartered Accountants  
& Registered Auditor

31 May 2002

**BROOKSTREAM PROPERTIES LIMITED**  
**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 JUNE 2001**

	Note	2001 £	2000 £
<b>GROSS PROFIT</b>		3,236,958	5,942,429
Administrative expenses		653,062	2,023,317
<b>OPERATING PROFIT</b>	<b>2</b>	<b>2,583,896</b>	<b>3,919,112</b>
Interest receivable		33,747	4,414
Interest payable	4	(154,498)	(237,212)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,463,145</b>	<b>3,686,314</b>
Tax on profit on ordinary activities	5	(871,884)	(1,108,100)
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,591,261</b>	<b>2,578,214</b>
Balance brought forward		3,267,198	688,984
Balance carried forward		<u>4,858,459</u>	<u>3,267,198</u>

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

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

# BROOKSTREAM PROPERTIES LIMITED

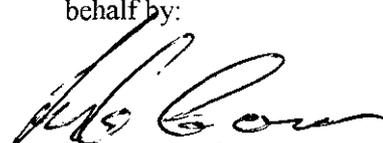
## ABBREVIATED BALANCE SHEET

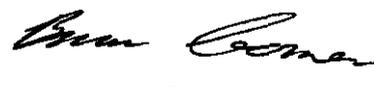
30 JUNE 2001

	Note	2001		2000	
		£	£	£	£
<b>CURRENT ASSETS</b>					
Stocks	6	9,957,440		2,967,545	
Debtors	7	24,593		8,944,256	
Cash at bank		702,075		185,013	
		<u>10,684,108</u>		<u>12,096,814</u>	
<b>CREDITORS: Amounts falling due within one year</b>					
	8	<u>(5,825,549)</u>		<u>(8,829,516)</u>	
<b>NET CURRENT ASSETS</b>			<u>4,858,559</u>		<u>3,267,298</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,858,559</u>		<u>3,267,298</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	12		100		100
Profit and Loss Account			<u>4,858,459</u>		<u>3,267,198</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>4,858,559</u>		<u>3,267,298</u>

These financial statements 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 31 May 2002 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 2001

	Note	2001		2000	
		£	£	£	£
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>14</b>		<b>(1,305,612)</b>		<b>5,348,007</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>					
Interest received		33,747		4,414	
Interest paid		(154,498)		(237,212)	
		-----		-----	
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>			<b>(120,751)</b>		<b>(232,798)</b>
<b>TAXATION</b>			<b>(276,239)</b>		<b>(23,450)</b>
			-----		-----
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>			<b>(1,702,602)</b>		<b>5,091,759</b>
<b>FINANCING</b>			-----		-----
<b>(DECREASE)/INCREASE IN CASH</b>	<b>15</b>		<b><u>(1,702,602)</u></b>		<b><u>5,091,759</u></b>

**BROOKSTREAM PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2001**

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

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

**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:

	2001	2000
	£	£
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:

	2001	2000
	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**

	2001	2000
	£	£
Interest payable on bank borrowing	78,905	237,212
Other similar charges payable	<u>75,593</u>	-
	<u>154,498</u>	<u>237,212</u>

**BROOKSTREAM PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2001**

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

	2001 £	2000 £
In respect of the year:		
Corporation Tax based on the results for the year at 30% (2000 - 30%)	740,000	1,110,000
Adjustment in respect of previous years:		
Corporation Tax	131,884	(1,900)
	<u>871,884</u>	<u>1,108,100</u>

**6. STOCKS**

	2001 £	2000 £
Stock of property	<u>9,957,440</u>	<u>2,967,545</u>

**7. DEBTORS**

	2001 £	2000 £
Other debtors	<u>24,593</u>	<u>8,944,256</u>

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

	2001 £	2000 £
Bank loans and overdrafts	2,834,852	615,188
Corporation Tax	1,979,696	1,384,051
Other creditors	802,013	6,829,283
Accruals and deferred income	208,988	994
	<u>5,825,549</u>	<u>8,829,516</u>

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

	2001 £	2000 £
Bank loans and overdrafts	<u>2,834,851</u>	<u>615,093</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 and also two third party first fixed legal charges as detailed in the note on Related Parties.

## BROOKSTREAM PROPERTIES LIMITED

### NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2001

#### 9. DIRECTORS' CURRENT ACCOUNTS

At the year end, the company was indebted to Mr. B.M. Comer, a director of the company. The opening balance due to him was £300,000 and a repayment of £160,000 was made, leaving a balance due of £140,000. This amount is shown under other creditors.

#### 10. 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 Miltonland Ltd., 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:

Miltonland Ltd.	nil
Opecprime Properties Ltd.	£10,803,435
Sancroft Properties Ltd.	4,717,069
Balcraft Properties Ltd.	1,974,146
Ridgeland Properties Ltd.	4,530,851

#### 11. 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.	£156,793.42
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This amount is included in other creditors.

Anglo Irish Bank Corporation plc holds third party fixed legal mortgages over The American University, Bushey, Herts owned by Chantstream Ltd. and over Platinum House, Lyon Road, Harrow owned by Miltonland Ltd.

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

**BROOKSTREAM PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2001**

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

	2001	2000
	£	£
1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

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

	2001	2000
	£	£
Ordinary share capital	<u>100</u>	<u>100</u>

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

	2001	2000
	£	£
Profit for the financial year	1,591,261	2,578,214
Opening shareholders' equity funds	<u>3,267,298</u>	<u>689,084</u>
Closing shareholders' equity funds	<u>4,858,559</u>	<u>3,267,298</u>

**14. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2001	2000
	£	£
Operating profit	2,583,896	3,919,112
Increase in stocks	(6,989,895)	(703,332)
Decrease/(Increase) in debtors	8,919,663	(201,474)
(Decrease)/Increase in creditors	(5,819,276)	2,333,701
Net cash (outflow)/inflow from operating activities	<u>(1,305,612)</u>	<u>5,348,007</u>

**15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2001	2000
	£	£
(Decrease)/Increase in cash in the period	<u>(1,702,602)</u>	<u>5,091,759</u>
Movement in net debt in the period	<u>(1,702,602)</u>	<u>5,091,759</u>
Net debt at 1 July 2000	<u>(430,175)</u>	<u>(5,521,934)</u>
Net debt at 30 June 2001	<u>(2,132,777)</u>	<u>(430,175)</u>

**BROOKSTREAM PROPERTIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2001**

**16. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 Jul 2000 £	Cash flows £	At 30 Jun 2001 £
Net cash:			
Cash in hand and at bank	185,013	517,062	702,075
Overdrafts	<u>(615,188)</u>	<u>(2,219,664)</u>	<u>(2,834,852)</u>
Net debt	<u>(430,175)</u>	<u>(1,702,602)</u>	<u>(2,132,777)</u>