

TERRACE HILL (UDDINGSTON) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2000

Company Registration Number 3214316



THOMPSON TARAZ & CO
Chartered Accountants & Registered Auditors
3 New Burlington Mews
Mayfair
London
W1B 4QB

TERRACE HILL (UDDINGSTON) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

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TERRACE HILL (UDDINGSTON) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	N J C Turnbull H Llewellyn
Company secretary	T Walsh
Registered office	1 Portland Place London W1B 1PN
Auditors	Thompson Taraz & Co Chartered Accountants & Registered Auditors 3 New Burlington Mews Mayfair London W1B 4QB

TERRACE HILL (UDDINGSTON) LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 JULY 2000

The directors present their report and the financial statements of the company for the year ended 31 July 2000.

PRINCIPAL ACTIVITIES

The principal activity of the company is property investment.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

N J C Turnbull
H Llewellyn

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

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.

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.

AUDITORS

A resolution to re-appoint Thompson Taraz & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

TERRACE HILL (UDDINGSTON) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 JULY 2000

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

1 Portland Place

London

W1B 1PN

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'T Walsh', written over a horizontal line.

T WALSH
Company Secretary

Approved by the directors on 21 December 2000

TERRACE HILL (UDDINGSTON) LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 JULY 2000

We have audited the financial statements on pages 5 to 11 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 8.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the 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 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 July 2000 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

3 New Burlington Mews
Mayfair
London
W1B 4QB

21 December 2000

THOMPSON TARAZ & CO
Chartered Accountants
& Registered Auditors

Thompson Taraz & Co

TERRACE HILL (UDDINGSTON) LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JULY 2000

	Note	2000 £	1999 £
TURNOVER		91,213	47,447
Cost of sales		(7,353)	(26,527)
GROSS PROFIT		83,860	20,920
Administrative expenses		(1,503)	(4,048)
OPERATING PROFIT	2	82,357	16,872
Interest payable		(62,949)	(76,283)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		19,408	(59,411)
Tax on profit/(loss) on ordinary activities		-	-
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>19,408</u>	<u>(59,411)</u>

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

TERRACE HILL (UDDINGSTON) LIMITED**YEAR ENDED 31 JULY 2000****STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2000	1999
	£	£
Profit/(Loss) for the financial year attributable to the shareholders	19,408	(59,411)
Total gains and losses recognised since the last annual report	<u>19,408</u>	<u>(59,411)</u>

TERRACE HILL (UDDINGSTON) LIMITED

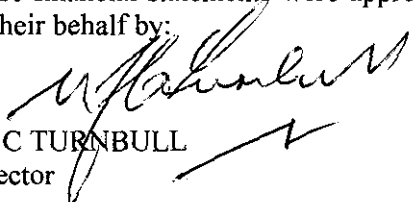
BALANCE SHEET

31 JULY 2000

	Note	2000 £	1999 £
FIXED ASSETS			
Investments	3	1,000,000	1,293,121
CURRENT ASSETS			
Debtors	4	13,237	1,375
CREDITORS: Amounts falling due within one year	5	<u>(960,481)</u>	<u>(968,027)</u>
NET CURRENT LIABILITIES		<u>(947,244)</u>	<u>(966,652)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>52,756</u>	<u>326,469</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	2	2
Revaluation reserve	8	92,757	385,878
Profit and loss account	9	<u>(40,003)</u>	<u>(59,411)</u>
SHAREHOLDERS' FUNDS	10	<u>52,756</u>	<u>326,469</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 21 December 2000 and are signed on their behalf by:


N J C TURNBULL
Director

TERRACE HILL (UDDINGSTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

The financial statements have been prepared under the going concern concept, which the directors consider to be appropriate due to continued support of fellow subsidiary undertakings.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents rents receivable in respect of let property and sundry income (excluding Value Added Tax) and arises solely within the United Kingdom.

Investment properties

All completed investment properties are revalued by the Directors annually to reflect current market value. Changes in the value of investment properties are disclosed as movements on revaluation reserve, except for permanent diminutions which are charged to the profit and loss account.

No depreciation or amortisation is provided in respect of freehold investment property in accordance with Statement of Standard Accounting Practice 19 (revised). The Directors consider that this accounting policy results in the financial statements giving a true and fair view.

Investment property sales are reflected in the accounts if an unconditional contract is exchanged by the balance sheet date and the sale is completed before the date of approval of the accounts.

Profits and losses are based on the difference between proceeds and net carrying amount, whether at valuation or at historical cost.

Deferred taxation

Deferred taxation, representing the timing differences between recognition of items for accounts and tax purposes, is provided to the extent that it is probable that a liability will crystallise.

TERRACE HILL (UDDINGSTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

2. OPERATING PROFIT

Operating profit is stated after charging:

	2000 £	1999 £
Directors' emoluments	-	-
Auditors' fees	<u>1,000</u>	<u>1,000</u>

3. INVESTMENTS

	Investment property Total £
COST	
At 1 August 1999	1,293,121
Revaluations	<u>(293,121)</u>
At 31 July 2000	<u>1,000,000</u>
NET BOOK VALUE	
At 31 July 2000	<u>1,000,000</u>
At 31 July 1999	<u>1,293,121</u>

The historical cost of the investment property at 31 July 1999 and 2000 was £907,243.

Investment property includes £31,427 of interest (1999:£31,427).

No depreciation is provided in respect of investment properties, as stated in the accounting policies note 1. The directors consider that this policy results in the accounts showing a true and fair view as depreciation is reflected in the open market valuation of these properties and cannot be separately quantified.

4. DEBTORS

	2000 £	1999 £
Trade debtors	10,310	-
Other debtors	<u>2,927</u>	<u>1,375</u>
	<u>13,237</u>	<u>1,375</u>

TERRACE HILL (UDDINGSTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

5. CREDITORS: Amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	638,328	630,703
Amounts owed to group undertakings	310,792	320,845
Other creditors	11,361	16,479
	<u>960,481</u>	<u>968,027</u>

The bank loan is secured by a debenture on the investment property, together with a floating charge over the assets of the company. Rental income from the investment property is mandated to the lender, with interest being charged at 1.75% above the base rate. The loan is guaranteed by a fellow subsidiary undertaking.

6. RELATED PARTY TRANSACTIONS

The controlling party of the company during the year was Saffery Champness Trust Corporation, trustees of a life interest trust of which R F M Adair is a beneficiary. R F M Adair is director of Westview Group Limited.

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, 'Related Party Transactions,' not to disclose any transactions with entities that are included in the consolidated financial statements of Terrace Hill Limited.

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

	2000	1999
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>

8. REVALUATION RESERVE

	2000	1999
	£	£
Balance brought forward	385,878	385,878
Revaluation of fixed assets	(293,121)	-
	<u>92,757</u>	<u>385,878</u>

TERRACE HILL (UDDINGSTON) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

9. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Balance brought forward	(59,411)	-
Retained profit/(loss) for the financial year	<u>19,408</u>	<u>(59,411)</u>
Balance carried forward	<u>(40,003)</u>	<u>(59,411)</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit/(Loss) for the financial year	19,408	(59,411)
Other net recognised gains and losses	<u>(293,121)</u>	<u>-</u>
Net reduction to funds	<u>(273,713)</u>	<u>(59,411)</u>
Opening shareholders' equity funds	<u>326,469</u>	<u>385,880</u>
Closing shareholders' equity funds	<u>52,756</u>	<u>326,469</u>

11. ULTIMATE PARENT COMPANY

The immediate parent company is Terrace Hill Limited and the ultimate parent company is Westview Group Limited. Both companies are registered in England and Wales.