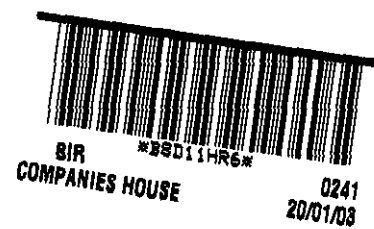


**COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED**

**REPORT AND ACCOUNTS**

**30 SEPTEMBER 2002**

**3339078**



**COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED**

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# COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED

## DIRECTORS' REPORT

The directors present their report and the audited accounts for the year ended 30 September 2002.

## ACTIVITIES

The principal activity of the company is that of property investment.

## RESULTS

The result for the year is satisfactory, as are future prospects.

The profit after tax for the financial year was £144,000 (2001: loss of £22,000).

## CHANGES IN FIXED ASSETS

The movements in fixed assets in the year are set out in note 5 to the accounts.

## DIVIDENDS

The directors do not recommend the payment of a dividend.

## DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

A C Gallagher	Chairman
G H Gosling	(appointed 1 November 2001)

Neither director had any direct legal or beneficial interest in the capital of the company during the year.

The directors are also directors of the ultimate parent company and their interests in the shares of the ultimate parent company are disclosed in the directors' report of that company.

## BY ORDER OF THE BOARD



**G H GOSLING**

**Director**

15 January 2003

## COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

The directors are required by UK company law to prepare accounts for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 30 September 2002. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED

We have audited the accounts on pages 3 to 8.

#### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and accounts in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities. Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the company's members in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed. We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. The other information comprises only the directors' report.

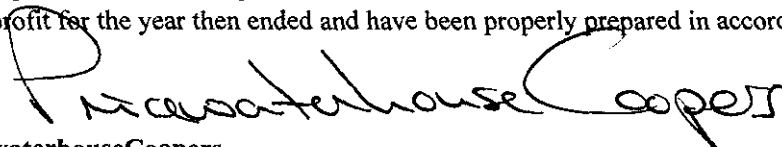
#### Basis of audit opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

#### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 September 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**

Chartered Accountants and Registered Auditors

Birmingham

15 January 2003

**COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2002**

	Notes	2002 £000	2001 £000
TURNOVER		2,137	1,805
NET OPERATING EXPENSES	2	<u>(136)</u>	<u>(213)</u>
OPERATING PROFIT		2,001	1,592
INTEREST	3	<u>(1,519)</u>	<u>(1,484)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		482	108
TAXATION	4	<u>(338)</u>	<u>(130)</u>
RETAINED PROFIT/(LOSS) FOR THE YEAR	10	<u>144</u>	<u>(22)</u>

All operations are of a continuing nature.

The result based on historical cost is no different from the result above.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED  
30 SEPTEMBER 2002**

	2002 £000	2001 £000
Profit/(loss) for the financial year	144	(22)
Unrealised gain on revaluation of investment property	7,398	-
Total recognised gain/(loss) for the year	<u>7,542</u>	<u>(22)</u>
Prior year adjustment	<u>-</u>	<u>89</u>
Total gain recognised	<u>7,542</u>	<u>67</u>

**COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED**

**BALANCE SHEET AT 30 SEPTEMBER 2002**

	Notes	2002 £000	2001 £000
<b>FIXED ASSETS</b>			
Tangible fixed assets	5	<u>38,640</u>	<u>31,033</u>
<b>CURRENT ASSETS</b>			
Debtors	6	892	807
Cash at bank and in hand		<u>1,155</u>	<u>625</u>
		<u>2,047</u>	<u>1,432</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	7	<u>(2,017)</u>	<u>(3,137)</u>
<b>NET CURRENT ASSETS/ (LIABILITIES)</b>		<u>30</u>	<u>(1,705)</u>
Creditors: amounts falling due after more than one year	8	<u>(20,000)</u>	<u>(18,200)</u>
<b>NET ASSETS</b>		<u>18,670</u>	<u>11,128</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	-	-
Revaluation reserve	10	18,392	10,994
Profit and loss account	10	<u>278</u>	<u>134</u>
<b>EQUITY SHAREHOLDER'S FUNDS</b>	11	<u>18,670</u>	<u>11,128</u>

**APPROVED BY THE BOARD ON 15 JANUARY 2003**



**G H GOSLING**  
Director

# COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED

## NOTES ON THE ACCOUNTS

### 1. PRINCIPAL ACCOUNTING POLICIES

#### ACCOUNTING BASIS

The accounts have been prepared on the historical cost basis, as modified by the revaluation of certain fixed assets, and conform with applicable UK accounting standards, which have been consistently applied.

#### (a) TURNOVER

Turnover represents rental income receivable, service charges and other recoveries from investment properties in the United Kingdom.

In circumstances where a tenant has been given an incentive to enter into a lease by way of a payment the incentive is treated as a reduction in rental income and is amortised on a straight line basis over the period from term commencement to the date of the first rent review in accordance with UITF 28. Where an incentive is given to a tenant by way of a rent free period the total rental income receivable for the period to the first rent review is recognised on a straight line basis from term commencement to the date of the first rent review in accordance with UITF 28.

#### (b) INVESTMENT PROPERTY

Until investment properties are completed they are included in the accounts at cost.

Once completed open market valuations are performed on a 3 year cycle subject to an annual impairment review.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP19. The director considers that, because these properties are not held for consumption but for their investment potential, to depreciate them would be inappropriate. The accounting policy adopted is therefore necessary for the accounts to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot reasonably be separately identified or quantified.

#### (c) DEFERRED TAX

Full provision is made for deferred tax assets and liabilities arising due to timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation at the current rate of tax. Deferred tax assets are recognised if their utilisation is considered more likely than not. Deferred tax is not provided on the revaluation of investment property unless there is a binding commitment to sell the asset.

#### (d) CASH FLOW STATEMENT

The company is a wholly-owned subsidiary of Countywide Developments Limited and is included in the consolidated accounts of Countywide Developments Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised).

# COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED

## NOTES ON THE ACCOUNTS

### 2. NET OPERATING EXPENSES

2002	2001
£000	£000

Net operating expenses comprise:

Cost of sales	133	191
Administrative expenses	3	22
	<u>136</u>	<u>213</u>

Net operating expenses are stated after charging:

Auditors' remuneration - audit	3	3
- non audit	-	1
Directors' remuneration and staff costs	Nil	Nil

Number	Number
--------	--------

The average number of persons (including directors) employed by the company during the year was

<u>2</u>	<u>1</u>
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### 3. INTEREST

2002	2001
£000	£000

Receivable	24	18
Payable on bank loans	(1,542)	(1,501)
Amortisation of issue costs relating to bank loans	(1)	(1)
	<u>(1,519)</u>	<u>(1,484)</u>

### 4. TAXATION

2002	2001
£000	£000

Group relief payable	(338)	(130)
	<u>(338)</u>	<u>(130)</u>

The current corporation tax charge differs from the standard UK corporation tax rate of 30% applied to the profit for the year. The differences are:

2002	2001
£000	£000

Profit on ordinary activities at the standard rate of 30%	(145)	(32)
Expenses not deductible for tax purposes	-	(69)
Affect of prior year adjustment	-	(29)
Losses utilised/(carried forward)	(193)	-
	<u>(338)</u>	<u>(130)</u>

The amount of tax on the capital gain which would become payable in the event of the sale of the investment property for the amount at which it is stated in Note 5 is in the region of £5,063,000.

The company is carrying forward tax losses of £645,000 for relief against future profits (2001: £Nil).



# COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED

## NOTES ON THE ACCOUNTS

### 5. TANGIBLE FIXED ASSETS

	Freehold Land £000	Freehold Investment Property £000	Total £000
Net Book Value at 1 October 2001	1,000	30,033	31,033
Additions at cost	100	109	209
Revaluation	-	7,398	7,398
Net Book Value at 30 September 2002	<u>1,100</u>	<u>37,540</u>	<u>38,640</u>

The revaluation of freehold investment properties was undertaken on an open market basis as at 30 September 2002 by a director of the company based on his assessment of current and expected future yields.

The historic cost of freehold investment property is £20,248,000.

All of the above assets are held for leasing.

### 6. DEBTORS

	2002 £000	2001 £000
Trade debtors	314	313
Other debtors	578	494
	<u>892</u>	<u>807</u>

### 7. CREDITORS: amounts falling due within one year

	2002 £000	2001 £000
Trade creditors	128	936
Bank loan	-	50
Deferred income	495	485
Other creditors	299	294
Amount due to group undertakings	1,095	1,372
	<u>2,017</u>	<u>3,137</u>

### 8. CREDITORS: amounts falling due after more than one year

	2002 £000	2001 £000
Bank loan repayable by instalments due between 1 and 2 years	20,000	200
Bank loan repayable by instalments due between 2 and 5 years	-	18,000
	<u>20,000</u>	<u>18,200</u>

The bank loan is on normal commercial terms and is secured by way of a fixed and floating charge over the assets of the company. Associated interest is payable at a fixed rate of 8.37%.

# COUNTYWIDE WATERSIDE DEVELOPMENT LIMITED

## NOTES ON THE ACCOUNTS

### 9. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised: 50,000 Ordinary £1 shares	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid: 2 Ordinary £1 shares	<u>2</u>	<u>2</u>

### 10. RESERVES

	Profit & Loss Account £000	Revaluation Reserve £000
At 1 October 2001	134	10,994
Retained profit for the year	144	-
Revaluation surplus	<u>-</u>	<u>7,398</u>
At 30 September 2002	<u>278</u>	<u>18,392</u>

### 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2002 £000	2001 £000
Retained profit/(loss) for the year	144	(22)
Revaluation surplus	7,398	-
Opening shareholder's funds	<u>11,128</u>	<u>11,150</u>
Closing shareholder's funds	<u>18,670</u>	<u>11,128</u>

### 12. CAPITAL COMMITMENTS

No capital expenditure was contracted by the company at 30 September 2002 (2001: £Nil).

### 13. CONTROLLING PARTY

Countywide Waterside Development Limited is a wholly owned subsidiary of Countywide Developments Limited (incorporated in England and Wales). The ultimate controlling party is Mr A C Gallagher by virtue of his ownership of the entire issued share capital of the parent undertaking.

### 14. RELATED PARTY TRANSACTIONS

All of the subsidiary undertakings of Countywide Developments Limited are wholly owned and, in accordance with the provisions of FRS 8, transactions between group companies are not disclosed. There are no other related party disclosures to be made concerning the year ended 30 September 2002 (2001: None).