

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
30 SEPTEMBER 2003



REGISTERED NUMBER 04422681

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2003

The Directors submit their annual report together with the accounts for the year ended 30 September 2003.

DIRECTORS

The Directors of the Company during this year were:

G S Cherry	
R P Hoyles	
R S Cherry	Appointed 3 rd December 2003
R A de Blaby	Appointed 29 th September 2003 (Resigned 13 th October 2003)
C P Crook	Appointed 29 th September 2003
J Dominquez	Appointed 30 th September 2003 (Resigned 10 th December 2003)
J Robertson	Appointed 30 th September 2003
M Pashley	Appointed 30 th September 2003
W S Benjamin	Appointed 30 th September 2003
R A James	Appointed 10 th December 2003

DIRECTORS' INTERESTS

No Director had at any time during the year any interest in the shares of the Company.

ACTIVITIES AND RESULTS

During the year, the Company entered into a Joint Venture agreement with Apollo Accordia LLC, Apollo Accordia (EU) LLC, and Countryside Properties PLC for the development of Land at a former M.A.F.F Site at Brooklands Av. Cambridge. On the 24th April 2003, the Company changed its name from Countryside Nine Limited to Countryside Properties (Accordia) Limited. As no profits were made during the year, the Directors do not recommend the payment of a dividend.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 and of the profit or loss of the group for that period. 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; and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied. They also confirm that reasonable and prudent judgements and estimates have been made in preparing statements for the period ending 30 September 2003 and that applicable accounting standards have been followed.

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. They 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.

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

AUDITORS

PricewaterhouseCoopers LLP have been appointed as auditors in accordance with the Companies Act 1985, and have indicated their willingness to continue in office and will be proposed for reappointment.

By Order of the Board

A handwritten signature in black ink, appearing to be 'R P Hoyles', written over a horizontal line.

R P Hoyles
Secretary

20.11. 2004

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

Independent auditor's report to the members of Countryside Properties (Accordia) Limited

We have audited the financial statements which comprise the balance sheet, the cash flow statement and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements 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 financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body 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 into 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 financial statements 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 financial statements, 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 financial statements. The other information comprises only the directors' report.

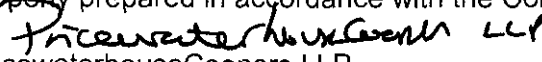
Basis of audit opinion

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 financial statements. It also includes an assessment of the significant estimates and judgments 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 at 30 September 2003 and of its cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place
London
WC2N 6RH

20/4/ 2004

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2003

	Notes	2003 £	2002 £
CURRENT ASSETS			
Stocks	4	35,404,243	—
Debtors	5	<u>2,869,627</u>	<u>1</u>
		<u>38,273,870</u>	<u>1</u>
CURRENT LIABILITIES			
Creditors due within one year	6	(10,310,821)	—
Total assets less current liabilities		27,963,049	1
Creditors due after one year	6	<u>(27,962,849)</u>	<u>—</u>
		<u>200</u>	<u>1</u>
CAPITAL AND RESERVES			
Share capital	7	200	1
Profit and Loss Account	2	<u>—</u>	<u>—</u>
		<u>200</u>	<u>1</u>

The notes on pages 6 to 8 form part of these accounts.

Approved by the Board on 20.4 2004

G S Cherry

J Robertson

Directors

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Notes	2003 £	2002 £
Cash received from sales		—	—
Cash payments in respect of:			
Construction and other development costs		(9,976,058)	—
Net cash outflow from operating activities		(9,976,058)	—
Net cash outflow before financing		(9,976,058)	—
Financing			
Increase in Share Capital		199	—
Development Loan		9,975,859	—
Increase / (Decrease) in cash		—	—
Reconciliation of net cash flow to movement in net debt:			
Increase / (Decrease) in cash in the year		—	—
Cash flow from increase in debt		(9,975,859)	—
Movement in net debt		(9,975,859)	—
Net debt at 1 October 2002		—	—
Net debt at 30 September 2003	9	(9,975,859)	—

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

- 1 The principal accounting policies of the Company are as follows:

Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Stocks

Stocks are stated at the lower of cost and estimated net realisable value. Cost of stocks comprises construction costs, interest and other development expenditure, and an appropriate proportion of overheads relating to construction.

The Directors regularly review all stocks and where, in their opinion, the net realisable value of any individual site is less than cost then provision is made to reduce the cost of stock to net realisable value. When each property is sold any provision which had been made against that unit at the previous year-end is released to trading profit. Where net realisable value exceeds cost, no account is taken of the increase until it is realised.

2 PROFIT AND LOSS ACCOUNT

During the period the Company did not trade and consequently, made neither profit nor loss.

3 EMPLOYEES AND DIRECTORS' EMOLUMENTS

None of the Directors received any emoluments in respect of their services to the company during the period.

The company has no employees.

4 STOCKS

	<u>2003</u>	<u>2002</u>
	£	£
Work in progress	35,404,243	—
	<hr/>	<hr/>

5 DEBTOR

	<u>2003</u>	<u>2002</u>
	£	£
VAT	1,029,627	1
Shareholder Loans and Equity contributions due from:		
Apollo Accordia LLC	993,600	—
Apollo Accordia (EU) LLC	846,400	—
	<hr/>	<hr/>
	2,869,627	1
	<hr/>	<hr/>

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

6 CREDITORS

	<u>2003</u> £	<u>2002</u> £
Amounts falling due within one year:		
Trade Creditors	858,911	—
Land Creditors	7,611,910	—
Shareholder Loan and Equity contributions due to Countryside Residential (North Thames) Ltd	1,840,000	—
	<u>10,310,821</u>	<u>—</u>
Amounts falling due after one year:		
Land Creditors	14,307,190	—
Bank Borrowings	9,975,859	—
Shareholder Loans:		
Countryside Residential (North Thames) Ltd	1,839,900	—
Apollo Accordia LLC	993,500	—
Apollo Accordia (EU) LLC	846,400	—
	<u>27,962,849</u>	<u>—</u>

7 CALLED UP SHARE CAPITAL

	<u>2003</u> £	<u>2002</u> £
Authorised		
5000 "A" Ordinary shares of 2p	100	—
5000 "B" Ordinary shares of 2p	100	—
1,000 Ordinary £1 share	—	1,000
	<u>200</u>	<u>1,000</u>
	<u>2003</u> £	<u>2002</u> £
Allotted, called up and fully paid		
5000 "A" Ordinary shares of 2p	100	—
5000 "B" Ordinary shares of 2p	100	—
1 Ordinary £1 share	—	1
	<u>200</u>	<u>1</u>

COUNTRYSIDE PROPERTIES (ACCORDIA) LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2003

7 CALLED UP SHARE CAPITAL continued

The share Capital for the Company was changed on 30th September 2003

The authorised Share Capital for the Company was reduced from £1,000 to £200

The shares were changed from being 1,000 £1 shares (£1,000) to 10,000 2p shares (£200)

The 10,000 shares were redesignated into 5,000 ordinary A shares and 5,000 ordinary B shares.

8 RELATED PARTY TRANSACTIONS

The Company is owned by Countryside Properties PLC (50%) Apollo Accordia LLC (27%) and Apollo Accordia (EU) LLC (23%). In accordance with the terms of the joint venture agreement, the company conducted the following transactions;

Countryside Properties PLC

Acquisition of Development W.I.P	£4,360,451
Land Acquisition Costs	£4,196,234

As at 30 September 2003 a balance of £4,124,961 was payable (2002: Nil)

9 ANALYSIS OF CHANGES IN NET DEBT

	01/10/02 £	Cash Flow £	30/09/03 £
Cash at bank	—	—	—
Bank borrowing	—	(9,975,859)	(9,975,859)
	—	(9,975,859)	(9,975,859)