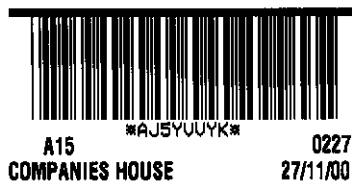


Company Registration No. 3338765 (England and Wales)

**TROJAN LAND LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 APRIL 2000**



# TROJAN LAND LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Ronnie Hirsch Michael Greisman
<b>Secretary</b>	Ronnie Hirsch
<b>Company number</b>	3338765
<b>Registered office</b>	12 Ogle Street London W1W 6HU
<b>Auditors</b>	Sam Rogoff & Co Chartered Accountants 12 Ogle Street London W1P 7LG
<b>Business address</b>	140 Totteridge Lane Totteridge London N20 8JJ
<b>Bankers</b>	Lloyds Bank plc 190, Great Portland Street London W1A 4LN
<b>Solicitors</b>	Hugh Jones & Co 137 Ballards Lane Church End Finchley London N3 1LJ

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# TROJAN LAND LIMITED

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# TROJAN LAND LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2000

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The directors present their report and financial statements for the year ended 30 April 2000.

### Principal activities and review of the business

The principal activity of the company was that of a property development company. The company was acquired by Trojan Property Group plc on the 5th August 1999 via a share for share exchange.

Both the level of the business and the year end position were satisfactory, in the light of current trading conditions and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Results and dividends

The results for the year are set out on page 4.

An interim preference dividend was paid amounting to -. The directors do not recommend payment of a final preference dividend.

### Year 2000

The directors have considered whether the company's operations could be adversely affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000 and beyond.

No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems.

### Directors

The following directors have held office since 1 May 1999:

Ronnie Hirsch  
Michael Greisman

Michael Greisman holds one share in the company as nominee for Trojan Property Group plc.

### Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 April 2000	1 May 1999
Ronnie Hirsch	-	50
Michael Greisman	-	-

### Creditor payment policy

The current policy concerning the payment of trade creditors is to settle the terms of payment with suppliers when agreeing the terms of each transaction and ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts and pay in accordance with the company's contractual and legal obligation.

### Auditors

Sam Rogoff & Co were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# TROJAN LAND LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2000

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### 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 and of the profit or loss of the company 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;
- 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. 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.

By order of the board



Ronnie Hirsch

Director

4 September 2000

# TROJAN LAND LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF TROJAN LAND LIMITED

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We have audited the financial statements on pages 4 to 12 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 directors and auditors

As described on page 2 the company's directors are responsible for the preparation of 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.

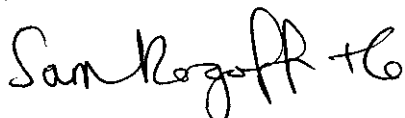
### Basis of opinion

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 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sam Rogoff & Co

Chartered Accountants  
Registered Auditor

4 September 2000

Chartered Accountants  
12 Ogle Street  
London  
W1P 7LG

# TROJAN LAND LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2000

	Notes	2000 £	1999 £
Turnover	2	115,321	112,281
Administrative expenses		(23,278)	(12,840)
Operating profit	3	92,043	99,441
Interest payable and similar charges	4	(10,599)	(69,882)
Profit on ordinary activities before taxation		81,444	29,559
Tax on profit on ordinary activities	5	(4,302)	(6,305)
Profit on ordinary activities after taxation		77,142	23,254
Dividends	6	(73,000)	-
Retained profit for the year	12	4,142	23,254

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# TROJAN LAND LIMITED

## BALANCE SHEET AS AT 30 APRIL 2000

	Notes	2000 £	£	1999 £	£
<b>Fixed assets</b>					
Tangible assets	7		1,010,000		760,000
<b>Current assets</b>					
Debtors	8	3,600		18,094	
Cash at bank and in hand		717		631	
		<u>4,317</u>		<u>18,725</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(564,910)</u>		<u>(94,934)</u>	
<b>Net current liabilities</b>			<u>(560,593)</u>		<u>(76,209)</u>
<b>Total assets less current liabilities</b>			<u>449,407</u>		<u>683,791</u>
<b>Creditors: amounts falling due after more than one year</b>					
Bank Loan				488,525	
Shareholder loan		136,931		136,931	
	10		<u>(136,931)</u>		<u>(625,456)</u>
			<u>312,476</u>		<u>58,335</u>
<b>Capital and reserves</b>					
Called up share capital	11		100		100
Revaluation reserve	12		252,874		2,874
Profit and loss account	12		59,502		55,361
<b>Shareholders' funds - equity interests</b>	13		<u>312,476</u>		<u>58,335</u>

The financial statements were approved by the Board on 4 September 2000



Ronnie Hirsch  
Director



Michael Greisman  
Director



# TROJAN LAND LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2000

	2000 £	1999 £
Net cash inflow/(outflow) from operating activities	644,767	(11,320)
Returns on investments and servicing of finance		
Interest paid	(10,599)	(69,882)
Net cash outflow for returns on investments and servicing of finance	(10,599)	(69,882)
Taxation	(6,306)	(8,566)
Equity dividends paid	(73,000)	-
Net cash inflow/(outflow) before management of liquid resources and financing	554,862	(89,768)
Financing		
New long term bank loan	10,599	70,206
Repayment of long term bank loan	(499,124)	(120,294)
Repayment of other short term loans	(66,250)	-
Net cash outflow from financing	(554,775)	(50,088)
Increase/(decrease) in cash in the year	87	(139,856)

# TROJAN LAND LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2000

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2000	1999	
			£	£	
	Operating profit		92,043	99,441	
	Decrease/(increase) in debtors		14,494	(18,094)	
	Increase/(decrease) in creditors within one year		538,230	(92,667)	
	Net cash inflow/(outflow) from operating activities		644,767	(11,320)	
2	Analysis of net debt	1 May 1999	Cash flow	Other non-cash changes	30 April 2000
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	631	86		717
	Debt:				
	Debts falling due within one year	(66,250)	66,250	-	-
	Debts falling due after one year	(625,456)	488,525	-	(136,931)
	Net debt	(691,075)	554,861	-	(136,214)
3	Reconciliation of net cash flow to movement in net debt		2000	1999	
			£	£	
	Increase/(decrease) in cash in the year		86	(2,925)	
	Cash outflow/(inflow) from decrease/(increase) in debt		554,775	(86,843)	
	Movement in net debt in the year		554,861	(89,768)	
	Opening net debt		(691,075)	(601,307)	
	Closing net debt		(136,214)	(691,075)	

# TROJAN LAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

#### 1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for rental income on units let.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

#### 1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3	Operating profit	2000	1999
		£	£
	Operating profit is stated after charging:		
	Auditors' remuneration	1,000	-
		<u>          </u>	<u>          </u>
4	Interest payable	2000	1999
		£	£
	On bank loans and overdrafts	10,599	69,882
		<u>          </u>	<u>          </u>

# TROJAN LAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

<b>5</b>	<b>Taxation</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	U.K. current year taxation		
	U.K. corporation tax at 20% (1999 - 21%)	4,301	6,305
	Prior years		
	U.K. corporation tax	1	-
		<u>4,302</u>	<u>6,305</u>
<b>6</b>	<b>Dividends</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	73,000	-
<b>7</b>	<b>Tangible fixed assets</b>		
			<b>Investment properties</b>
			<b>£</b>
	Cost or valuation		
	At 1 May 1999		760,000
	Revaluation		250,000
	At 30 April 2000		<u>1,010,000</u>
<p>The investment property was revalued on the 30th April 2000 at an open market value by Mr J Cousins A.R.I.C.S. and Mr S Sandler F.R.I.C.S. of Smith Melzack.. The original cost of the property was £757,126.81 and it has now been revalued to £1,010,000.</p>			
<b>8</b>	<b>Debtors</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Amounts owed by parent and fellow subsidiary undertakings	3,600	-
	Amounts owed by subsidiary undertakings	-	4,000
	Other debtors	-	14,094
		<u>3,600</u>	<u>18,094</u>

# TROJAN LAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

9 Creditors: amounts falling due within one year	2000 £	1999 £
Bank loans and overdrafts	-	66,250
Amounts owed to parent and fellow subsidiary undertakings	540,132	-
Corporation tax	4,301	6,305
Directors' current accounts	1,698	-
Other creditors	-	3,600
Accruals and deferred income	18,779	18,779
	<u>564,910</u>	<u>94,934</u>

The bank loan is secured by a first legal charge over the freehold property units 1-11 Barley Way, South Lowestoft Industrial Estate, Lowestoft Suffolk. There is a joint and several liability from R Hirsch and M Greisman at a level of 25% of total debt advanced by Northern Rock plc.

10 Creditors: amounts falling due after more than one year	2000 £	1999 £
Bank loans	-	488,525
Other loans	136,931	136,931
	<u>136,931</u>	<u>625,456</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments:		
Shareholder loan	136,931	136,931
Wholly repayable within five years	-	554,775
	<u>136,931</u>	<u>691,706</u>
Included in current liabilities	-	(66,250)
	<u>136,931</u>	<u>625,456</u>
<b>Loan maturity analysis</b>		
Between one and two years	-	66,250
Between two and five years	-	198,750
In five years or more	136,931	465,481
	<u>136,931</u>	<u>625,456</u>

# TROJAN LAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

11 Share capital	2000 £	1999 £
Authorised		
100 Ordinary shares of £ 1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100

### 12 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 May 1999	2,874	55,360
Retained profit for the year	-	4,142
Revaluation during the year	250,000	-
Balance at 30 April 2000	252,874	59,502

The revaluation reserve of £250,000 has been created by a professional revaluation of units 1-11 Barley Way, Lowestoft Industrial Estate at 30th April 2000.

13 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the financial year	77,142	23,254
Dividends	(73,000)	-
	4,142	23,254
Other recognised gains and losses	250,000	-
Net addition to shareholders' funds	254,142	23,254
Opening shareholders' funds	58,335	35,081
Closing shareholders' funds	312,476	58,335

### 14 Contingent liabilities

The Directors were not aware of any contingent liabilities at the Balance Sheet date.

# TROJAN LAND LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2000 Number	1999 Number
Administration	3	3
Employment costs	£	£
Wages and salaries	2,800	3,600

### 16 Control

The ultimate parent company is Trojan Property Group plc, a company registered in England and Wales.

Trojan Property Group plc prepares group financial statements and copies can be obtained from -12 Ogle Street, London W1P 7LG.

### 17 Post balance sheet events

At the Balance Sheet date the Directors were not aware of any post balance sheet events materially affecting these financial statements.