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STRUCTADENE LIMITED

REPORT AND ACCOUNTS

30 SEPTEMBER 2001

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COMPANIES HOUSE 22/07/02

Hacker Young
Chartered Accountants

St Alphage House 2 Fore Street London EC2Y 5DH

STRUCTADENE LIMITED

COMPANY INFORMATION

Directors	D A Pearlman M R Goldberger P Colvin P F Cashier N A Watson D Parnes (appointed 1 February 2002) P A Colvin (appointed 1 February 2002)
Secretary	P Colvin
Registered office	St Alphage House 2 Fore Street London EC2Y 5DH
Auditors	Hacker Young St Alphage House 2 Fore Street London EC2Y 5DH
Business address	3rd Floor 9 White Lion Street London N1 9PD
Solicitors	Mishcon de Reya 21 Southampton Row London WC1B 5HS Eversleys Percy House 363 Liverpool Road London N1 1NL Nicholson Graham Jones 110 Cannon Street London EC4N 6AR berwin leighton paisner Bouverie House 154 Fleet Street London EC4A 2JD Measures Franks & Co 76 Shenley Road Borehamwood Herts WD6 1EH

COMPANY INFORMATION CONTINUED

Bankers	Halifax Bank plc National Westminster Bank plc Barclays Bank plc Bank Leumi (UK) plc The Royal Bank of Scotland plc Nationwide Building Society Leopold Joseph & Sons Limited AIB Group (UK) plc Anglo Irish Bank Corporation plc Mizrahi Bank Brittania Building Society Lloyds TSB N M Rothschild Bristol & West Building Society Investec Israel Discount Fibi Bank

STRUCTADENE LIMITED

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CHAIRMAN'S STATEMENT

Over the past 12 months the portfolio has seen continued growth in both size and income, through new purchases and increased rents. Acquisitions have focussed on London and have been mostly commercial, although we are still eager purchasers of out-of-town properties with good yields and opportunities to add value.

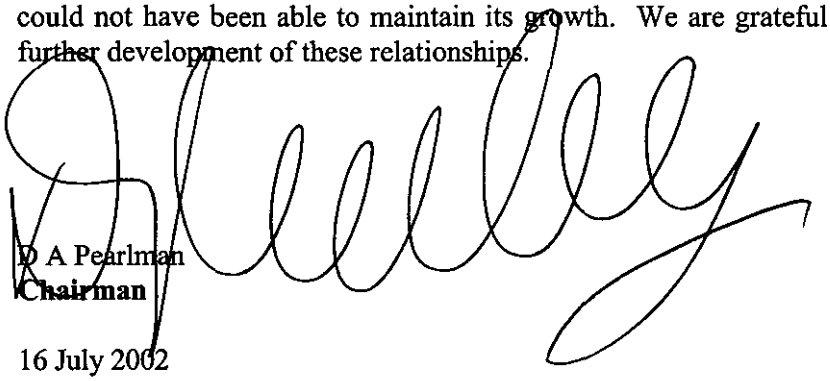
While investment property is our main business, our residential development activities have grown, primarily through various joint ventures. There are several large new schemes in the pipeline involving a mixture of new-build and conversions mostly in North and East London.

We are generally long-term investors, however during the year we sold several large commercial properties and a number of vacant houses and flats and used the funds to invest in new situations. This trend is likely to continue over the next year with the emphasis on purchases in Central London.

Our move to new offices in Islington has given a stimulus to the business, and has improved our overall efficiency. The extra space has enabled us to house additional staff to meet the extra work flow which has been generated by the substantial growth in activity over the past few years. Updated systems and procedures together with new, improved hardware and software have been introduced, to further increase productivity and the quality of management information.

I would take this opportunity to thank my board of directors together with all our staff for their continued dedication and hard work which has contributed towards another successful year for our Group.

We are also heavily dependent upon the services of our banks, surveyors, lawyers, accountants and various brokers, who have lent us funds and given us professional advice, and without whom this organisation could not have been able to maintain its growth. We are grateful for their support, and look forward to further development of these relationships.



D A Pearlman
Chairman

16 July 2002

REPORT OF THE DIRECTORS

The directors present their report together with the audited accounts for the year ended 30 September 2001.

Activities and business review

The company, its subsidiaries and joint ventures carry on the business of property dealing, development and investment.

The directors are satisfied with the performance of the group and look forward to continuing growth and profitability.

Results and dividends

The state of the group's affairs is shown in the accounts attached.

The directors recommend that no dividend be paid on the ordinary shares.

Fixed assets

The changes in the tangible fixed assets of the group and company are detailed in notes 9 and 10 to the accounts.

Directors and their interests

According to the register kept by the company the directors had interests in the shares of the company at the beginning and the end of the year as follows:

	Ordinary shares of £1 each	
	30 September 2001	30 September 2000
D A Pearlman	1,898,989	1,898,989
P Colvin	5,000	5,000
P F Cashier	25,253	25,253
N A Watson	-	-
M R Goldberger	-	-

Statement of directors' responsibilities

Directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the company and the group and take reasonable steps in preventing and detecting fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts on a going concern basis.

REPORT OF THE DIRECTORS

Close company status

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

Auditors

A resolution to re-appoint Hacker Young as auditors will be put to the members at the Annual General Meeting.

Registered Office:

St. Alphage House
2 Fore Street
London EC2Y 5DH

16 July 2002

By order of the board

P Colvin

Secretary

Hacker Young
Chartered Accountants

St Alphage House
2 Fore Street
London EC2Y 5DH

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF STRUCTADENE LIMITED

We have audited the financial statements of Structadene Limited on pages 5 to 26 for the year ended 30 September 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors
As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 with the company is not disclosed.

We read other information contained in the Annual Report and consider the implications of our report if we become aware of any apparent misstatements within it. This other information comprises only the Chairman's statement and the report of the directors.

Basis of opinion
We conducted our audit in accordance with United Kingdom 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 circumstances of the company and the group, 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 affairs of the company and of the group as at 30 September 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hacker Young
Chartered Accountants
Registered Auditors

16 July 2002

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 £	2000 £
Turnover: group and share of joint ventures		37,332,866	16,293,866
Less: share of joint ventures' turnover		(25,934,082)	(5,560,211)
Group turnover	3	11,398,784	10,733,655
Cost of sales		(2,731,103)	(2,157,425)
Gross profit	3	8,667,681	8,576,230
Administrative expenses		(3,147,495)	(2,728,571)
Group operating profit		5,520,186	5,847,659
Share of operating profit of			
Joint ventures		11,257,180	2,492,207
Associated companies		726,019	203,149
		17,503,385	8,543,015
Profit/(loss) on disposal of investment properties			
Group		-	566,773
Joint ventures		(16,285)	51,086
Profit on ordinary activities before interest		17,487,100	9,160,874
Interest payable and similar charges (net)	4	(8,272,148)	(6,229,950)
Profit on ordinary activities before taxation	5	9,214,952	2,930,924
Tax on profit on ordinary activities	8	(1,972,764)	(884,270)
Profit on ordinary activities of the group and its share of associates and joint ventures profit after taxation	15	7,242,188	2,046,654

All the above results are derived from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 SEPTEMBER 2001

	2001 £	2000 £
Profit for the financial year	7,242,188	2,046,654
Surplus arising on revaluation of investment properties	5,335,761	1,108,090
Surplus arising on revaluation of share of joint venture investment properties	2,029,774	3,758,389
Surplus arising on revaluation of share of associate companies' investment properties	500,000	-
Taxation on realisation of property revaluation gains	(690,977)	(226,972)
Total recognised gains relating to the year	14,416,746	6,686,161

Note of historical cost profits and losses

	2001 £	2000 £
Reported profit on ordinary activities before taxation	9,214,952	2,930,924
Realisation of property revaluations gains of previous years	2,303,258	756,574
Historical cost profit on ordinary activities before taxation	11,518,210	3,687,498
Taxation	(1,972,764)	(884,270)
Taxation on realisation of property revaluation gains	(690,977)	(226,972)
Historical cost profit for the year retained after taxation	8,854,469	2,576,256

CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2001

	Notes	2001		2000	
		£	£	£	£
Fixed assets					
Tangible assets					
Investment properties	9(a)	109,524,405		65,791,491	
Other tangible assets	9(b)	253,044		300,679	
			109,777,449		66,092,170
Investments in joint ventures	10(a)				
Share of gross assets		61,812,384		44,949,929	
Share of gross liabilities		(41,963,852)		(27,793,890)	
			19,848,532		17,156,039
Investment in associated companies	10(b)		822,635		161,431
Current assets					
Stocks	1(g)	17,801,864		15,340,832	
Debtors	11	7,899,230		4,681,730	
Cash at bank and in hand		354,968		176,991	
		26,056,062		20,199,553	
Creditors: amounts falling due within one year	12	(22,584,284)		(20,920,761)	
Net current assets/(liabilities)			3,471,778		(721,208)
Total assets less current liabilities			133,920,394		82,688,432
Creditors: amounts falling due after more than one year	13		(88,210,780)		(51,375,236)
Provision for liabilities and charges	17		(826,089)		(846,417)
			44,883,525		30,466,779
Capital and reserves					
Called up share capital	14		1,954,495		1,954,495
Share premium account	15		1,250,200		1,250,200
Capital redemption reserve	15		45,505		45,505
Revaluation reserve	15		20,431,365		14,869,088
Profit and loss account	15		21,201,960		12,347,491
Shareholders' funds - equity interests	16		44,883,525		30,466,779

Signed on behalf of the board on 16 July 2002

D A Pearman
Director

M R Goldberger
Director

P Colvin
Director

BALANCE SHEET

AS AT 30 SEPTEMBER 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	9(c)		105,794		135,614
Investments	10(c)		7,568,340		8,038,650
			7,674,134		8,174,264
Current assets					
Stocks	1(g)	7,357,029		6,340,619	
Debtors	11	59,321,865		38,442,569	
Cash at bank and in hand		62,158		14,462	
		66,741,052		44,797,650	
Creditors: amounts falling due within one year	12	(10,534,999)		(14,136,163)	
Net current assets			56,206,053		30,661,487
Total assets less current liabilities			63,880,187		38,835,751
Creditors: amounts falling due after more than one year	13		(55,628,396)		(32,848,087)
			8,251,791		5,987,664
Capital and reserves					
Called up share capital	14		1,954,495		1,954,495
Share premium account	15		1,250,200		1,250,200
Other reserves	15		45,505		45,505
Profit and loss account	15		5,001,591		2,737,464
Shareholders' funds - equity interests			8,251,791		5,987,664

Signed on behalf of the board on 16 July 2002

D A Pearlman
Director

M R Goldberger
Director

P Colvin
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001		2000	
		£	£	£	£
Net cash inflow from operating activities	19		3,637,795		5,624,165
Returns on investment and servicing of finance					
Interest received		69,228		40,088	
Interest paid		(5,408,209)		(4,028,513)	
Net cash outflow from returns on investments and servicing of finance			(5,338,981)		(3,988,425)
Taxation					
Corporation tax paid			(556,903)		(34,877)
Capital investment and financial investment					
Purchase of other fixed assets		(109,889)		(166,666)	
Purchase of investment properties		(38,397,153)		(27,334,335)	
Sale of other fixed assets		6,501		15,750	
Sale of investment property		-		2,697,531	
Net cash inflow/(outflow) from joint ventures		8,462,906		(82,136)	
Net cash outflow from investing activities			(30,037,635)		(24,869,856)
Net cash outflow before financing			(32,295,724)		(23,268,993)
Financing					
Purchase of own shares		-		(500,555)	
Increase in bank loans		32,696,417		21,411,140	
Directors' loans		(1,106,916)		(616,686)	
Other loans		2,061,000		400,500	
Finance leases		(13,873)		(42,465)	
Net cash inflow from financing			33,636,628		20,651,934
Increase/(decrease) in cash	21		1,340,904		(2,617,059)

1. Principal accounting policies

a) Basis of accounting

The accounts are prepared under the historical cost convention, modified to include the revaluation of investment properties and in accordance with applicable accounting standards.

b) Basis of consolidation

The group accounts consolidate the accounts of Structadene Limited and all its subsidiaries made up to 30 September each year.

c) Associated companies

Investments are regarded as associated companies where the group has a long-term interest in more than 20% of the equity and is in a position to exercise a significant influence over their affairs on a continuing basis. In the consolidated accounts shares in associated companies are accounted for using the equity method. Goodwill arising from the acquisition of an associate is capitalised and amortised over its estimated useful life.

d) Investments in joint ventures

The group accounts for its interests in joint ventures using the gross equity method, in accordance with FRS 9 on Associates and Joint Ventures. The group's share of net assets of the joint ventures is capitalised as investments in joint ventures.

e) Investments in the company's balance sheet

The company's investments in subsidiaries are stated at cost less provision for any diminution in value.

The company's capital account balances with its joint ventures are capitalised as fixed asset loans to joint ventures.

f) **Tangible fixed assets**

Freehold investment properties are revalued annually by the directors. The aggregate surplus or deficit arising from such revaluation is transferred to the revaluation reserve unless a deficit (or its reversal) on an individual property is expected to be permanent, in which case it is charged (or credited) to the profit and loss account.

No depreciation is provided in respect of freehold investment properties, although it is a departure from the general requirement of the Companies Act 1985 to provide depreciation in respect of fixed assets having a limited useful economic life. These properties are not held for consumption but for investment and the directors consider that systematic depreciation 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 be separately identified or quantified.

Other fixed assets are shown at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows:

Motor vehicles	- 25% per annum
Office equipment	- 10% per annum

g) **Stocks**

Stock comprises properties held for dealing, which are valued at the lower of cost and net realisable value.

h) **Profit recognition**

Purchases and sales of properties are accounted for on completion of contracts.

i) **Leasing**

Assets obtained under hire purchase contacts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

j) **Pensions**

Payments to defined contribution pension schemes are charged to the profit and loss account as they become payable.

k) **Deferred taxation**

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future at the rate at which it is estimated that the tax will be payable.

2. **Holding company profit and loss account**

The company has taken advantage of the exemption in the Companies Act 1985 not to present its own profit and loss account. Of the group profit after taxation for the financial year, £2,264,127 (2000: £1,034,205) is dealt with in the accounts of the holding company.

3. **Turnover and gross profit**

	2001 £	2000 £
Turnover comprises:		
Sales of trading properties	1,440,799	2,590,596
Gross rental income	9,730,393	7,560,662
Commission, fees and sundry income	227,592	582,397
	11,398,784	10,733,655

	2001 £	2000 £
Gross profit comprises:		
Trading property sales	941,255	2,095,420
Net rental income	7,528,686	5,943,165
Other activities	197,740	537,645
	8,667,681	8,576,230

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 2001

4. Interest payable and similar charges (net)

	2001 £	2000 £
Group:		
On bank loans and overdrafts	5,408,895	4,330,231
On overdue tax	104,259	4,591
On other loans	121,808	183,935
On finance leases	3,540	4,354
Interest receivable	(70,776)	(48,331)
	5,567,726	4,474,780
Joint ventures:		
On bank loans and overdrafts	2,204,141	1,599,432
On other loans	-	46,255
Interest receivable	(88,871)	(49,447)
Associated companies:		
On bank loans and overdrafts	590,588	171,286
Interest receivable	(1,436)	(12,356)
	8,272,148	6,229,950

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2001 £	2000 £
Amortisation of goodwill (associated companies)	16,605	7,023
Depreciation - owned	128,100	118,942
- finance leases	13,293	13,293
Auditors' remuneration		
- audit	100,000	85,000
- non-audit fees	85,000	55,275

6. Staff costs (including directors)

	2001 £	2000 £
Wages and salaries	1,479,617	1,542,429
Social security costs	179,607	195,280
Pension costs	104,607	118,161
	1,763,831	1,855,870

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

Sales and administration	35	30

7. Directors' remuneration

	2001 £	2000 £
Emoluments for qualifying services	632,703	701,552
Pension contributions to money purchase schemes	57,876	64,045
	690,579	765,597

All the directors who served during the year have retirement benefits accruing under money purchase schemes.

8. Tax on profit on ordinary activities

Group	2001 £	2000 £
Corporation tax at current rates	2,458,983	872,430
Prior year	(441,555)	-
Deferred tax	(20,328)	(21,490)
	1,997,100	850,940
Associated company		
Corporation tax at current rates	(24,336)	33,330
	1,972,764	884,270

9. Tangible fixed assets

a) Investment properties - Group

	Freehold property £	Long leasehold property £	Total £
At valuation			
At 1 October 2000	47,664,278	18,127,213	65,791,491
Additions	38,397,153	-	38,397,153
Surplus on revaluation	1,672,763	3,662,998	5,335,761
At 30 September 2001	87,734,194	21,790,211	109,524,405

The investment properties were valued on an open market basis at 30 September 2001 by the directors.

The company occupies part of 9 White Lion Street, London which is included at valuation in investment properties above. The directors estimate that £690,000 of this valuation relates to the part of the building occupied by the company.

b) Other tangible assets - Group

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 October 2000	350,553	261,007	611,560
Additions	58,932	50,957	109,889
Disposals	(78,250)	-	(78,250)
At 30 September 2001	331,235	311,964	643,199
Depreciation			
At 1 October 2000	195,522	115,359	310,881
Charge for year	70,099	71,294	141,393
Eliminated on disposal	(62,119)	-	(62,119)
At 30 September 2001	203,502	186,653	390,155
Net book value			
At 30 September 2001	127,733	125,311	253,044
At 30 September 2000	155,031	145,648	300,679

Included in the above are motor vehicles held under finance leases with a net book value of £20,040 (2000: £33,332)

c) Other tangible assets - Company

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 October 2000	296,228	14,743	310,971
Additions	38,300	-	38,300
Disposals	(78,250)	-	(78,250)
At 30 September 2001	256,278	14,743	271,021
Depreciation			
At 1 October 2000	160,757	14,600	175,357
Charge for year	(62,119)	-	(62,119)
Eliminated on disposal	51,972	17	51,989
At 30 September 2001	150,610	14,617	165,227
Net book value			
At 30 September 2001	105,668	126	105,794
At 30 September 2000	135,471	143	135,614

Included in the above are motor vehicles held under finance leases with a net book value of £20,040 (2000: £33,332).

10. **Fixed asset investment**

a) Group

Investments in joint ventures

	£
At 1 October 2000	17,156,039
Share of profits for the year	9,125,625
Revaluation of properties	2,029,774
Net injections/(withdrawals) of funds	(8,462,906)
At 30 September 2001	19,848,532

	2001		2000	
	£	£	£	£
Share of fixed assets	46,199,967		30,563,755	
Share of current assets	15,612,417		14,386,174	
		61,812,384		44,949,929
Share of liabilties:				
Due within one year	(11,701,007)		(8,112,422)	
Due after more than one year	(30,262,845)		(19,681,468)	
		(41,963,852)		(27,793,890)
Share of net assets		19,848,532		17,156,039

a) **Investments in joint ventures (continued)**

FRS 9 on Associates and Joint Ventures requires further disclosure of the group's investment in Hampstead Homes (London) Limited, Validfern Limited and Vendart Limited, as the group's share of turnover of these joint ventures exceeds 25% of the group's own turnover.

	Hampstead Homes (London)Limited		Validfern Limited		Vendart Limited	
	£	£	£	£	£	£
Share of fixed assets	278,604		-		3,840,225	
Share of current assets	5,800,166		466,902		2,621,170	
		6,078,770		466,902		6,461,395
Share of liabilities:						
Due within one year	(3,368,287)		(20,496)		(104,710)	
Due after more than one year	(94,786)		-		(2,356,250)	
		(3,463,073)		(20,496)		(2,460,960)
Share of net assets		2,615,697		446,406		4,000,435
Share of turnover		5,009,215		9,157,154		7,069,006
Profit before tax		846,672		7,702,382		2,249,210

b) **Group**

Investments in associated companies

The group has a 50% interest in Wilmill Limited together with its subsidiary undertaking, Formcrown Limited, a property investment company. The group also has a 50% interest in Shanglade Limited and AIS (2000) Limited both property dealing companies. The group's share in AIS (2000) Limited is held by one of its joint ventures.

	Total £
At 1 October 2000	161,431
Profit/(loss) for the year	161,204
Revaluation of properties	500,000
At 30 September 2001	822,635

The investments in associated companies include £415,247 of goodwill less accumulated amortisation of £23,628.

c) **Company**

	Shares in subsidiary undertakings £	Shares in associate undertakings £	Loans to joint ventures £	Total
Cost or valuation				
At 1 October 2000	6,600,963	1	1,437,686	8,038,650
Additions	4	-	-	4
Share of profits for the year			7,955,367	7,955,367
Net injections/(withdrawals) of funds	-	-	(8,425,681)	(8,425,681)
At 30 September 2001	6,600,967	1	967,372	7,568,340

The company's 100% owned subsidiaries at 30 September 2001, which are all incorporated in England, were as follows:

Property dealing	**Property investment**	**Property management**
Sprintpost Limited	Searchgrade Limited	Demifix Limited
Wanderslore Limited	Cosmichome Limited	
	Weldonvale Limited	
	Heskland Limited	
	Shardell Limited	
	Blenpark Properties Limited	
	Zefiran Limited	
	Sheston Limited	
	Linmay Limited	

Non-trading:

Kirby's of Hackney Limited	Furnhill Limited
Gazebo Properties Limited	Marchborder Limited
Jaywood Properties Limited	

d) Particulars of principal joint ventures

Group

Name of joint venture	Address of principal place of business	Interest in joint capital
Stenguild Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Searchgrade Limited / Portmount Property Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Tokanda Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Vendart Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Sprintpost Limited/ Shieldbay (Enfield) Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Hampstead Homes (London) Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Romenglen Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Clearvalley Properties Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Shanpark Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Slonestar Limited	3rd Floor, 9 White Lion Street London N1 9PD	25%
Deal Street Limited	3rd Floor, 9 White Lion Street London N1 9PD	25%
Chedgreen Limited	3rd Floor, 9 White Lion Street London N1 9PD	25%

c) **Particulars of principal joint ventures (continued)**

Group

Name of joint venture	Address of principal place of business	Interest in joint capital
Reefmark Limited	3rd Floor, 9 White Lion Street London N1 9PD	25%
Blenhill Properties Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Tellerbell Limited	3rd Floor, 9 White Lion Street London N1 9PD	33.3%
Mewspark Properties Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%

Company

Name of Joint Venture	Address of Principal Place of Business	Interest in Joint Capital
Portmount Property Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Shieldbay (Enfield) Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Validfern Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Peaceline Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Miltenform Properties Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%

The above joint ventures are managed jointly through management boards on which subsidiary undertakings of the group and other joint ventures are represented in accordance with respective interests held in the joint ventures.

11. **Debtors: amounts falling due within one year:**

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Trade debtors	139,332	165,162	-	-
Due from subsidiaries	-	-	54,234,238	31,501,155
Due from associates	255,443	255,443	255,443	255,443
Amounts due from related parties	4,241,352	2,728,549	4,182,128	2,714,325
Amounts due from participating interests	2,040,033	543,456	-	84,185
Other debtors	593,580	216,511	302,215	3,511,517
Prepayments and accrued income	629,490	772,609	347,841	375,944
	7,899,230	4,681,730	59,321,865	38,442,569

12. **Creditors: amounts falling due within one year**

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank overdrafts (secured)	603,475	1,766,402	398,516	1,675,711
Bank loans wholly repayable within one year (secured)	3,500,327	2,817,153	3,500,327	2,817,153
Other bank loans (note 13)	3,067,691	5,842,921	1,359,982	5,507,536
Obligations under finance leases and hire purchase contracts	13,880	13,824	13,880	13,824
Trade creditors	41,834	4,565	9,685	-
Due to subsidiaries	-	-	29,877	207,930
Amounts due to related parties	2,774,892	2,170,766	2,572,356	1,977,470
Amounts due to participating interests	2,535,726	2,463,065	205,495	194,418
Corporation tax payable	4,004,030	1,852,528	1,123,885	-
Directors' loan accounts	148,181	1,255,097	20,422	433,313
Other taxes and social security	217,810	384,672	117,155	89,492
Other creditors	2,997,276	256,956	85,291	27,962
Accruals and deferred income	2,679,162	2,092,812	1,098,128	1,191,354
	22,584,284	20,920,761	10,534,999	14,136,163

The bank loans and overdrafts are secured on investment properties and stocks held for dealing.

13. **Creditors: amounts falling due after more than one year**

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Bank loans (secured)	87,726,910	55,713,667	53,476,817	36,891,134
Other loans	3,044,800	983,800	3,004,800	943,800
Directors' loan	500,000	500,000	500,000	500,000
Obligations under finance leases and hire purchase contracts	6,761	20,690	6,761	20,689
	91,278,471	57,218,157	56,988,378	38,355,623
Less: Bank loans falling due within one year (note 12)	(3,067,691)	(5,842,921)	(1,359,982)	(5,507,536)
	88,210,780	51,375,236	55,628,396	32,848,087

Bank loan maturity analysis

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Within one year	3,067,691	5,842,921	1,359,981	5,507,536
Between one and two years	12,310,943	1,124,978	900,775	720,042
Between two and five years	16,418,224	16,360,631	5,138,405	2,758,095
In five years or more	55,930,052	32,385,137	46,077,656	27,905,461
	87,726,910	55,713,667	53,476,817	36,891,134

Other loans are all repayable to the Wanderslore Pension Fund within five years. There is no fixed repayment date for the director's loan.

The above bank loans are secured on investment properties and stock. Other loans and the director's loan are unsecured.

14. **Called up share capital**

	2001	2000
	£	£
Authorised:		
2,500,000 ordinary shares of £1 each	2,500,000	2,500,000
Allotted, called up and fully paid:		
1,954,495 ordinary shares of £1 each	1,954,495	1,954,495

15. **Reserves**

	Group revaluation reserve £	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 October 2000	14,869,088	1,250,200	45,505	12,347,491
Surplus on revaluation				
- Group	5,335,761	-	-	-
- Joint ventures	2,029,774	-	-	-
- Associates	500,000	-	-	-
Profit for the year	-	-	-	7,242,188
Transfer from revaluation reserve to profit and loss account				
- Joint ventures	(2,303,258)	-	-	2,303,258
Taxation on realisation of property revaluation gains	-	-	-	(690,977)
At 30 September 2001	20,431,365	1,250,200	45,505	21,201,960

Company	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 October 2000	1,250,200	45,505	2,737,464
Profit for the year	-	-	2,264,127
At 30 September 2001	1,250,200	45,505	5,001,591

16. **Reconciliation of movements in shareholders' funds**

	Group 2001 £	Group 2000 £
Profit for the financial year	7,242,188	2,046,654
Other recognised gains relating to the year	7,174,558	4,639,507
Purchase of own shares	-	(500,555)
Net addition to shareholders' funds	14,416,746	6,185,606
Opening shareholders' funds	30,466,779	24,281,173
Closing shareholders' funds	44,883,525	30,466,779

17. **Deferred taxation**

	30 September 2001		30 September 2000	
	Full provision made £	**Potential liability £**	**Full provision made £**	**Potential liability £**
Revaluation of trading properties on subsidiary acquisition	750,849	750,849	771,177	771,177
Revaluation of investment properties	-	5,927,735	-	4,367,000
Accelerated losses	75,240	75,240	75,240	75,240
Accelerated capital allowances	-	890,047	-	551,281
Industrial buildings allowances	-	204,439	-	162,000
	826,089	7,848,310	846,417	5,926,698

No deferred taxation has been provided in respect of the revaluation of investment properties as there is currently no intention of disposing of the relevant assets.

18. **Pension scheme**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £82,926 (2000: £96,480).

In addition one of the company's subsidiaries, Wanderslore Limited, operates a small, self administered pension scheme. The assets of the scheme are held separately from those of the company. The pension cost charge represents contributions payable by the company to the fund and amounted to £21,681 (2000: £21,681).

19. **Reconciliation of operating profit to net cash inflow from operating activities**

	2001 £	2000 £
Operating profit	5,520,186	5,847,659
Depreciation	141,393	132,235
Loss/(profit) on sale of fixed assets	9,630	(17,995)
Increase in stocks	(2,461,032)	(876,360)
Increase in debtors	(3,215,952)	(1,761,060)
Increase in creditors	3,643,570	2,299,686
	3,637,795	5,624,165

20. **Reconciliation of net cash inflow to movement in net debt**

	2001 £
Increase in cash during the year	1,340,904
Net cash inflow from repayment and issue of loans	(33,650,501)
Cash outflow from decrease in lease financing	13,873
Movement in debt during the year	(32,295,724)
Net debt at 1 October 2000	(62,893,642)
Net debt at 30 September 2001	(95,189,366)

21. **Analysis of net debt**

	At 1 October 2000 £	Cash flows £	Other non-cash changes £	At 30 September 2001 £
Cash at bank and in hand	176,991	177,977	-	354,968
Bank overdrafts	(1,766,402)	1,162,927	-	(603,475)
	(1,589,411)	1,340,904	-	(248,507)
Debt due within one year	(9,915,171)	3,198,972	-	(6,716,199)
Debt due after one year	(51,354,546)	(36,849,473)	-	(88,204,019)
Finance leases	(34,514)	13,873	-	(20,641)
	(62,893,642)	(32,295,724)	-	(95,189,366)

22. Contingent liabilities

a) The group is jointly and severally liable, with its joint venture partners, for the bank borrowings of its joint ventures. The borrowings, which as at 30 September 2001 amounted to £49,390,161 (2000: £43,049,079) are secured on joint venture properties with a carrying value at that date of £90,230,239 (2000: £85,516,157).

b) The group has entered into arrangements whereby a third party is entitled to a share of the profits on the ultimate disposal of certain properties.

23. Related parties

Turnover includes £214,300 (2000: £371,076) in respect of property maintenance and commissions receivable from companies and partnerships in which D A Pearlman has a material interest.