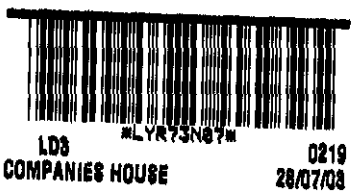
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COMPANIES HOUSE COPY

STRUCTADENE LIMITED

REPORT AND ACCOUNTS

30 SEPTEMBER 2002



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 G Parnes (appointed 1 February 2002) P A Colvin (appointed 1 February 2002) G M Patel (appointed 3 October 2002)
Secretary	P Colvin
Company number	1397642
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 12 Red Lion Square London WC1R 4QD Eversleys Percy House 363 Liverpool Road London N1 1NL berwin leighton paisner Bouverie House 154 Fleet Street London EC4A 2JD Measures Franks & Co 76 Shenley Road Borehamwood Herts WD6 1EH Richard Pearlman & Co 27 Phipp Street London EC2A 4NP

COMPANY INFORMATION CONTINUED

Bankers

Allied Irish Bank (GB)
Anglo Irish Bank Corporation Plc
Bank Leumi (UK) Plc
Bank of Scotland Plc
Barclays Bank Plc
Bristol & West Plc
Britannia Building Society
FIBI Bank (UK) Plc
Halifax Plc
HSBC Bank Plc
Investec Bank (UK) Limited
Israel Discount Bank Limited
Leopold Joseph & Sons Limited
Lloyds TSB Bank plc
Morgan Stanley Limited
N M Rothschild & Sons Limited
National Westminster Bank Plc
Nationwide Building Society
Norwich Union plc
Northern Rock plc
Royal Bank of Scotland plc
The Woolwich plc
United Mizrahi Bank Limited
West Bromwich Building Society

STRUCTADENE LIMITED

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CHAIRMAN'S STATEMENT

This has been another active and most profitable year across all areas of the business. We have remained most acquisitive, and have worked hard to improve the quality of our portfolio, the tenant base, and to minimise voids. Most purchases have been commercial, primarily in London; however we continue to buy small residential properties spread across the country. We have also been active in residential development, mostly via several joint ventures, although remain cautious about future trends, particularly in the London market.

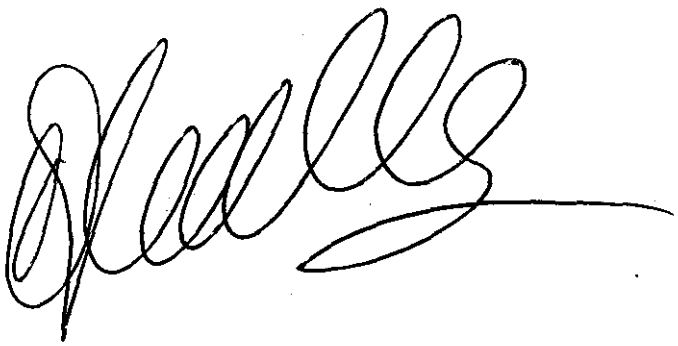
We have not been eager sellers, but received a number of very attractive offers on various properties, and took the opportunity to sell. The proceeds were re-invested in well-located higher quality investments, the largest being 19 buildings in Percy Street, London W1 (£28 million), a multi-let office at Grosvenor Gardens House, Victoria (£20 million) and a mixed parade in Beauchamp Place, Knightsbridge (£12 million).

We seek to spread risk across a large number of buildings, numerous tenants and many business sectors. We will consider all types of investments, ranging from shops, offices and warehouses, to farmland, houses and flats - anywhere in the United Kingdom - where we perceive good value and potential for capital growth.

The increase in properties, tenancies, companies, joint ventures and professional relationships, has required additional staff across all departments, particularly the accounting function and property management. Further growth is anticipated in line with expansion of the group.

We continue to receive excellent service from our banks, surveyors, lawyers, accountants and various brokers, without whom this growth could not be sustained.

I would also wish to thank my board of directors together with all our staff for their consistent efforts, which have assisted in producing another successful year. I look forward to maintaining this trend in the years to come.



D A Pearlman
Chairman

25 July 2003

REPORT OF THE DIRECTORS

The directors present their annual report together with the audited accounts of the group and of the company for the year ended 30 September 2002.

Principal activities and business review

The company, its subsidiaries, associates 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 2002	30 September 2001
D A Pearlman	1,898,989	1,898,989
M R Goldberger	-	-
P Colvin	5,000	5,000
P F Cashier	25,253	25,253
N A Watson	-	-
D G Parnes	-	-
P A Colvin	-	-

G M Patel was appointed a director on 3 October 2002.

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

Post balance sheet event

Since the year end the company has acquired a holding of 27.7% in Newport Holdings plc at an approximate cost of £7.0 million.

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.

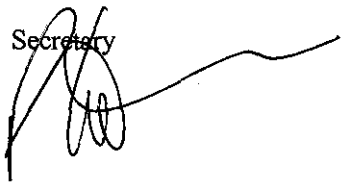
Registered Office:

St. Alphage House
2 Fore Street
London EC2Y 5DH

25 July 2003

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 28 for the year ended 30 September 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 2002 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

25 July 2003

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2002

	Notes	2002 £	2001 £
Turnover: group and share of joint ventures		34,568,797	37,332,866
Less: share of joint ventures' turnover		(8,434,571)	(25,934,082)
Group turnover	3	26,134,226	11,398,784
Cost of sales		(3,712,470)	(2,731,103)
Gross profit	3	22,421,756	8,667,681
Administrative expenses		(4,801,686)	(3,147,495)
Other operating income		400,050	-
Group operating profit		18,020,120	5,520,186
Share of operating profit of			
Joint ventures		4,303,065	11,257,180
Associated companies		822,851	726,019
		23,146,036	17,503,385
Profit/(loss) on disposal of investment properties			
Group		3,443,388	-
Joint ventures		-	(16,285)
Profit on ordinary activities before interest		26,589,424	17,487,100
Interest payable and similar charges (net)	4	(11,595,581)	(8,272,148)
Profit on ordinary activities before taxation	5	14,993,843	9,214,952
Tax on profit on ordinary activities	8	(3,475,510)	(1,972,764)
Profit on ordinary activities of the group and its share of associates and joint ventures profit after taxation	15	11,518,333	7,242,188

All the above results are derived from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 SEPTEMBER 2002

	2002 £	2001 £
Profit for the financial year	11,518,333	7,242,188
Surplus arising on revaluation of investment properties	4,392,090	5,335,761
Surplus arising on revaluation of share of joint venture investment properties	4,676,903	2,029,774
Surplus arising on revaluation of share of associate companies' investment properties	314,969	500,000
Taxation on realisation of property revaluation gains	(104,516)	(690,977)
Total recognised gains relating to the year	20,797,779	14,416,746

Note of historical cost profits and losses

	2002 £	2001 £
Reported profit on ordinary activities before taxation	14,993,843	9,214,952
Realisation of property revaluations gains of previous years	196,454	2,303,258
Historical cost profit on ordinary activities before taxation	15,190,297	11,518,210
Taxation	(3,475,510)	(1,972,764)
Taxation on realisation of property revaluation gains	(104,516)	(690,977)
Historical cost profit for the year retained after taxation	11,610,271	8,854,469

CONSOLIDATED BALANCE SHEET

AS AT 30 SEPTEMBER 2002

	Notes	2002		2001	
		£	£	£	£
Fixed assets					
Tangible assets					
Investment properties	9(a)	176,851,031		109,524,405	
Other tangible assets	9(b)	276,621		253,044	
			177,127,652		109,777,449
Investments in joint ventures	10(a)				
Share of gross assets		89,093,090		61,812,384	
Share of gross liabilities		(63,224,650)		(41,963,852)	
			25,868,440		19,848,532
Investment in associated companies	10(b)		1,488,698		822,635
Current assets					
Properties held for dealing	1(g)	16,533,899		17,801,864	
Debtors	11	8,058,220		7,899,230	
Cash at bank and in hand		973,317		354,968	
		25,565,436		26,056,062	
Creditors: amounts falling due within one year	12	(28,978,668)		(22,584,284)	
Net current (liabilities)/assets			(3,413,232)		3,471,778
Total assets less current liabilities			201,071,558		133,920,394
Creditors: amounts falling due after more than one year	13		(134,716,041)		(88,210,780)
Provision for liabilities and charges	17		(674,213)		(826,089)
			65,681,304		44,883,525
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		29,618,873		20,431,365
Profit and loss account	15		32,812,231		21,201,960
Shareholders' funds - equity interests	16		65,681,304		44,883,525

Signed on behalf of the board on 25 July 2003

D A Pearlman
Director

M R Goldberger
Director

P Colvin
Director

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2002

	Notes	£	2002 £	£	2001 £
Fixed assets					
Tangible assets	9(c)		143,457		105,794
Investments	10(c)		7,242,084		7,568,340
			7,385,541		7,674,134
Current assets					
Properties held for dealing	1(g)	6,592,032		7,357,029	
Debtors	11	84,093,914		59,321,865	
Cash at bank and in hand		95,905		62,158	
		90,781,851		66,741,052	
Creditors: amounts falling due within one year	12	(18,344,038)		(10,534,999)	
Net current assets			72,437,813		56,206,053
Total assets less current liabilities			79,823,354		63,880,187
Creditors: amounts falling due after more than one year	13		(70,082,738)		(55,628,396)
Provision for liabilities and charges			49,468		-
Net assets			9,790,084		8,251,791
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
Profit and loss account	15		6,539,884		5,001,591
Shareholders' funds - equity interests			9,790,084		8,251,791

Signed on behalf of the board on 25 July 2003

D A Pearlman
Director

M R Goldberger
Director

P Colvin
Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2002

	Notes	2002		2001	
		£	£	£	£
Net cash inflow from operating activities	19		26,194,569		3,637,795
Returns on investment and servicing of finance					
Interest received		73,801		69,228	
Interest paid		(11,669,382)		(5,408,209)	
Net cash outflow from returns on investments and servicing of finance			(11,595,581)		(5,338,981)
Taxation					
Corporation tax paid			(3,649,574)		(556,903)
Capital investment and financial investment					
Purchase of other fixed assets		(182,391)		(109,889)	
Purchase of investment properties		(72,950,677)		(38,397,153)	
Sale of other fixed assets		-		6,501	
Sale of investment property		13,459,530		-	
Net cash (outflow)/inflow from joint ventures		(158,267)		8,462,906	
Net cash outflow from investing activities			(59,831,805)		(30,037,635)
Acquisitions and disposals					
Purchase of investment in associate		(200,000)		-	
Net cash outflow from acquisitions			(200,000)		-
Net cash outflow before financing			(49,082,391)		(32,295,724)
Financing					
Increase in bank loans		48,794,366		32,696,417	
Directors' loans		-		(1,106,916)	
Other loans		1,380,000		2,061,000	
Finance leases		(12,406)		(13,873)	
Net cash inflow from financing			50,161,960		33,636,628
Increase in cash	21		1,079,569		1,340,904

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, by using the principles of acquisition accounting. Intra-group sales transactions and profits are eliminated on consolidation.

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 are capitalised as investments in joint ventures.

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

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:

Fixtures and fittings	- 10% per annum
Motor vehicles	- 25% per annum
Office equipment	- 10% per annum

g) **Properties held for dealing**

Properties held for dealing 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 contracts and finance leases are capitalised as tangible assets at their fair value on the inception of the lease and depreciated over the shorter of the lease term and their estimated 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

j) **Pensions**

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

k) **Deferred taxation**

The accounting policy in respect of deferred tax has been changed to reflect the requirements of Financial Reporting Standard 19 – Deferred tax ("FRS 19"). Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent it was probable that liabilities would crystallise in the foreseeable future. The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no asset/liability would have been recognised as the conditions for recognition would not have been satisfied.

Deferred tax is not provided on timing differences arising from the revaluations of fixed assets, where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

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

The company has taken advantage of the exemption under section 230 of the Companies Act 1985 not to present its own profit and loss account. Of the group profit after taxation for the financial year, £1,538,293 (2001: £2,264,127) is dealt with in the accounts of the holding company.

3. **Turnover and gross profit**

	2002 £	2001 £
Turnover comprises:		
Sales of trading properties	10,940,850	1,440,799
Gross rental income	14,384,299	9,730,393
Commission, fees and sundry income	809,077	227,592
	26,134,226	11,398,784

	2002 £	2001 £
Gross profit comprises:		
Trading property sales	10,532,542	941,255
Net rental income	11,089,947	7,528,686
Other activities	799,267	197,740
	22,421,756	8,667,681

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 2002

4. Interest payable and similar charges (net)

	2002 £	2001 £
Group:		
On bank loans and overdrafts	8,128,239	5,408,895
On overdue tax	78,411	104,259
On other loans	-	121,808
On finance leases	4,958	3,540
Interest receivable	(73,801)	(70,776)
	8,137,807	5,567,726
Joint ventures:		
On bank loans and overdrafts	2,826,090	2,204,141
Interest receivable	(24,297)	(88,871)
Associated companies:		
On bank loans and overdrafts	656,003	590,588
Interest receivable	(22)	(1,436)
	11,595,581	8,272,148

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2002 £	2001 £
Amortisation of goodwill (associated companies)	21,607	16,605
Depreciation - owned	139,032	128,100
- finance leases	13,292	13,293
Auditors' remuneration		
- audit	110,000	100,000
- non-audit fees	100,000	85,000

6. Staff costs (including directors)

	2002 £	2001 £
Wages and salaries	3,029,701	1,479,617
Social security costs	374,314	179,607
Pension costs	105,115	104,607
	3,509,130	1,763,831

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

Sales and administration	49	35

7. Directors' remuneration

The emoluments of directors of the parent company for qualifying service were as follows:

	2002 £	2001 £
Emoluments for qualifying services	1,722,834	632,703
Pension contributions to money purchase schemes	48,495	57,876
	1,771,329	690,579

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

Emoluments disclosed above include amounts paid to:

	2002 £	2001 £
Highest paid director:		
Emoluments for qualifying services		
- salaries and benefits	1,017,209	182,522
Company pension contributions	-	13,919
	1,017,209	196,441

8. **Tax on profit on ordinary activities**

	2002 £	2001 £
Current year tax:		
UK corporation tax:		
- Current year at 30%	3,840,132	2,458,983
- Prior periods	(208,154)	(441,555)
Share of associates' taxation	15,776	(24,336)
Total current tax charge	3,647,754	1,993,092
Deferred tax	(172,244)	(20,328)
Tax on profit on ordinary activities	3,475,510	1,972,764
Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	14,993,843	9,214,952
Profit on ordinary activities before taxation multiplied by standard rate of corporation tax at 30% (2001: 30%)	4,498,153	2,764,486
Effects of:		
Disallowable expenses	67,048	70,016
Depreciation	46,231	45,569
Capital allowances	(658,878)	(468,034)
Capital disposals	(226,534)	(52,952)
Other tax adjustment	130,113	125,665
Losses utilised	-	(17,813)
Adjustment to previous period	(208,379)	(473,845)
	3,647,754	1,993,092

9. **Tangible fixed assets**

a) Investment properties - Group

	Freehold property £	Long leasehold property £	Total £
At valuation			
At 1 October 2001	87,734,194	21,790,211	109,524,405
Reclassification	(4,237,789)	4,237,789	-
Additions	43,728,266	29,222,411	72,950,677
Surplus on revaluation	4,192,853	199,237	4,392,090
Disposals	(6,874,031)	(3,142,110)	(10,016,141)
At 30 September 2002	124,543,493	52,307,538	176,851,031

The investment properties were valued on an open market basis at 30 September 2002 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 £1,500,000 of this valuation relates to the part of the building occupied by the company.

b) **Other tangible assets - Group**

	Fixtures & fittings £	Motor vehicles £	Office equipment £	Total £
Cost				
At 1 October 2001	3,091	331,235	308,873	643,199
Additions	41,795	106,937	33,658	182,390
Disposals	-	(38,384)	-	(38,384)
At 30 September 2002	44,886	399,788	342,531	787,205
Depreciation				
At 1 October 2001	3,086	203,502	183,567	390,155
Charge for year	4,180	66,603	81,541	152,324
Eliminated on disposal	-	(31,895)	-	(31,895)
At 30 September 2002	7,266	238,210	265,108	510,584
Net book value				
At 30 September 2002	37,620	161,578	77,423	276,621
At 30 September 2001	5	127,733	125,306	253,044

Included in the above are motor vehicles held under finance leases with a net book value of £6,748 (2001: £20,040), on which depreciation of £13,202 (2001: £13,293) was charged during the year.

c) **Other tangible assets - Company**

	Motor vehicles £	Office equipment £	Total £
Cost			
At 1 October 2001	256,278	14,743	271,021
Additions	96,352	-	96,352
Disposals	(14,830)	-	(14,830)
At 30 September 2002	337,800	14,743	352,543
Depreciation			
At 1 October 2001	150,610	14,617	165,227
Charge for year	52,184	17	52,201
Eliminated on disposal	(8,342)	-	(8,342)
At 30 September 2002	194,452	14,634	209,086
Net book value			
At 30 September 2002	143,348	109	143,457
At 30 September 2001	105,668	126	105,794

Included in the above are motor vehicles held under finance leases with a net book value of £6,748 (2001: £20,040), on which depreciation of £13,292 (2001: £13,293) was charged during the year.

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 2002

10. **Fixed asset investment**

a) Group

Investments in joint ventures

	£
At 1 October 2001	19,848,532
Share of profits for the year	1,501,272
Revaluation of properties	4,676,903
Net withdrawals of funds	(158,267)
At 30 September 2002	25,868,440

	£	2002 £	£	2001 £
Share of fixed assets	70,273,797		46,199,967	
Share of current assets	18,819,293		15,612,417	
		89,093,090		61,812,384
Share of liabilities:				
Due within one year	(16,172,921)		(11,701,007)	
Due after more than one year	(47,051,729)		(30,262,845)	
		(63,224,650)		(41,963,852)
Share of net assets		25,868,440		19,848,532

b) Group

Investments in associated companies

The group has a 50% interest in Wilmill Limited together with its subsidiary undertaking, Formcrown Limited and Sterling Alliance Limited via one of its subsidiary undertakings, being property investment companies. 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 2001	822,635
Additions	200,000
Profit for the year	151,094
Revaluation of properties	314,969
At 30 September 2002	1,488,698

The investments in associated companies include £415,247 of goodwill less accumulated amortisation of £45,235.

c) **Company**

	Shares in subsidiary undertakings £	Shares in associate undertakings £	Loans to joint ventures £	Total
Cost or valuation				
At 1 October 2001	6,600,967	1	967,372	7,568,340
Share of profits for the year	-	-	36,984	36,984
Net injections/(withdrawals) of funds	-	-	(363,240)	(363,240)
At 30 September 2002	6,600,967	1	641,116	7,242,084

The company's 100% owned subsidiaries at 30 September 2002, which are all incorporated in England, were as follows:

Property dealing:
Sprintpost Limited
Wanderslore Limited

Property investment:
Searchgrade Limited
Cosmichome Limited
Weldonvale Limited
Heskland Limited
Shardell Limited
Blenpark Properties Limited
Zefiran Limited
Sheston Limited
Linmay Limited
Percy Freehold Limited
Percy Village Limited

Property investment management:
Demifix Limited

Non-trading
Kirby's of Hackney Limited
Gazebo Properties Limited
Jaywood Properties Limited
Percy Nominee 1 Limited
Percy Nominee 2 Limited
Stanway Investments Limited
Structadene BCH Limited
Wickham Investments Limited
Furnhill Limited
Marchborder 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	P O Box 206, Loughton Essex, IG10 1PL	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%
Zefilix Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Wenaquest Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Lochcarron Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Flintbond Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Fortmoor Properties Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Aberlow Properties Limited	3rd Floor, 9 White Lion Street London N1 9PD	25%
Victoria & Grosvenor Investments Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Emerit Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Ameltrade Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%

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

Company Name of Joint Venture	Address of Principal Place of Business	Interest in Joint Capital
Structadene/Portmount Property Limited	3rd Floor, 9 White Lion Street London N1 9PD	50%
Structadene/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%
Structadene/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	
	2002 £	2001 £	2002 £	2001 £
Trade debtors	-	139,332	-	-
Due from subsidiaries	-	-	79,409,596	54,234,238
Due from associates	300,443	255,443	255,443	255,443
Amounts due from related parties	3,649,256	4,241,352	3,649,256	4,182,128
Amounts due from participating interests	2,295,296	2,040,033	-	-
Other debtors	734,602	593,580	511,653	302,215
Prepayments and accrued income	1,078,623	629,490	267,966	347,841
	8,058,220	7,899,230	84,093,914	59,321,865

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

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank overdrafts (secured)	142,255	603,475	87,900	398,516
Bank loans wholly repayable within one year (secured) (note 13)	5,865,310	3,500,327	6,167,798	3,500,327
Other bank loans (note 13)	4,365,053	3,067,691	-	1,359,982
Obligations under finance leases and hire purchase contracts	8,235	13,880	8,235	13,880
Trade creditors	21,047	41,834	3,603	9,685
Due to subsidiaries	-	-	6,573,287	29,877
Amounts due to related parties	5,433,097	2,774,892	3,815,591	2,572,356
Amounts due to participating interests	1,122,087	2,535,726	226,427	205,495
Corporation tax payable	3,950,257	4,004,030	32,496	1,123,885
Directors' loan accounts	613,570	148,181	-	20,422
Other taxes and social security	871,139	217,810	132,011	117,155
Other creditors	2,226,873	2,997,276	90,960	85,291
Accruals and deferred income	4,359,745	2,679,162	1,205,730	1,098,128
	28,978,668	22,584,284	18,344,038	10,534,999

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	
	2002	2001	2002	2001
	£	£	£	£
Bank loans (secured)	135,656,551	87,726,910	71,325,736	53,476,817
Other bank loans	4,365,053	3,500,327	-	3,500,327
Other loans	4,424,800	3,044,800	4,424,800	3,004,800
Directors' loan	500,000	500,000	500,000	500,000
Obligations under finance leases and hire purchase contracts	-	6,761	-	6,761
	144,946,404	94,778,798	76,250,536	60,488,705
Less: Bank loans falling due within one year (note 12)	(10,230,363)	(6,568,018)	(6,167,798)	(4,860,309)
	134,716,041	88,210,780	70,082,738	55,628,396

Bank loan maturity analysis

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Within one year	10,230,363	6,568,018	6,167,798	4,860,309
Between one and two years	25,288,890	12,310,943	1,172,472	900,775
Between two and five years	8,625,329	16,418,224	5,806,909	5,138,405
In five years or more	95,877,022	55,930,052	58,178,557	46,077,656
	140,021,604	91,227,237	71,325,736	56,977,144

The above bank loans are secured on investment properties and stock held for dealing. Other loans and the director's loan are unsecured. Other loans are all repayable to the Wanderslore Pension Fund within five years. There is no fixed repayment date for the director's loan.

14. **Called up share capital**

	2002	2001
	£	£
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 2001	20,431,365	1,250,200	45,505	21,201,960
Surplus on revaluation				
- Group	4,392,090	-	-	-
- Joint ventures	4,676,903	-	-	-
- Associates	314,969	-	-	-
Profit for the year	-	-	-	11,518,333
Transfer from revaluation reserve to profit and loss account	(154,280)	-	-	154,280
- Joint ventures	(42,174)	-	-	42,174
Taxation on realisation of property revaluation gains	-	-	-	(104,516)
At 30 September 2002	29,618,873	1,250,200	45,505	32,812,231

Company	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 October 2001	1,250,200	45,505	5,001,591
Profit for the year	-	-	1,538,293
At 30 September 2002	1,250,200	45,505	6,539,884

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

	Group 2002 £	2001 £
Profit for the financial year	11,518,333	7,242,188
Other recognised gains relating to the year	9,279,446	7,174,558
Net addition to shareholders' funds	20,797,779	14,416,746
Opening shareholders' funds	44,883,525	30,466,779
Closing shareholders' funds	65,681,304	44,883,525

17. **Deferred taxation**

Group	30 September 2002		30 September 2001	
	Full provision made £	Potential liability £	Full provision made £	Potential liability £
Revaluation of trading properties on subsidiary acquisition	648,441	648,441	750,849	750,849
Revaluation of investment properties	-	8,603,285	-	5,927,735
Accelerated losses	75,240	75,240	75,240	75,240
Accelerated capital allowances	-	1,425,023	-	890,047
Industrial buildings allowances	-	210,050	-	204,439
Deferred tax asset:				
Accelerated capital allowances	(23,685)	-	-	-
Short term timing differences	(25,783)	-	-	-
	674,213	10,962,039	826,089	7,848,310

Company	30 September 2002		30 September 2001	
	Full provision made £	Potential liability £	Full provision made £	Potential liability £
Deferred tax asset:				
Accelerated capital allowances	23,685	-	-	-
Short term timing differences	25,783	-	-	-
	49,468	-	-	-

No provision has been made for deferred tax on revaluing investment property to its market value. The contingent liability is estimated to be £8,603,285.

Additionally, no provision has been made for deferred tax on capital allowances in respect of plant and machinery which form part of the revalued investment properties. The contingent liability is estimated to be £1,425,023.

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 £105,115 (2001: £82,926).

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 £nil (2001: £21,681).

17. **Deferred taxation**

Group	30 September 2002		30 September 2001	
	Full provision made £	Potential liability £	Full provision made £	Potential liability £
Revaluation of trading properties on subsidiary acquisition	648,441	648,441	750,849	750,849
Revaluation of investment properties	-	8,603,285	-	5,927,735
Accelerated losses	75,240	75,240	75,240	75,240
Accelerated capital allowances	-	1,425,023	-	890,047
Industrial buildings allowances	-	210,050	-	204,439
Deferred tax asset:				
Accelerated capital allowances	(23,685)	-	-	-
Short term timing differences	(25,783)	-	-	-
	674,213	10,962,039	826,089	7,848,310

Company	30 September 2002		30 September 2001	
	Full provision made £	Potential liability £	Full provision made £	Potential liability £
Deferred tax asset:				
Accelerated capital allowances	23,685	-	-	-
Short term timing differences	25,783	-	-	-
	49,468	-	-	-

No provision has been made for deferred tax on revaluing investment property to its market value. The contingent liability is estimated to be £8,603,285.

Additionally, no provision has been made for deferred tax on capital allowances in respect of plant and machinery which form part of the revalued investment properties. The contingent liability is estimated to be £1,425,023.

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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 £nil (2001: £21,681).

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

	2002 £	2001 £
Operating profit	18,020,120	5,520,186
Depreciation	152,324	141,393
Loss on sale of fixed assets	6,489	9,630
Decrease/(increase) in stocks	1,267,965	(2,461,032)
Decrease/(increase) in debtors	141,273	(3,215,952)
Increase in creditors	6,606,398	3,643,570
	26,194,569	3,637,795

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

	2002 £
Increase in cash during the year	1,079,569
Net cash inflow from repayment and issue of loans	(50,174,366)
Cash outflow from decrease in lease financing	12,406
Movement in debt during the year	(49,082,391)
Net debt at 1 October 2001	(95,041,185)
Net debt at 30 September 2002	(144,123,576)

21. **Analysis of net debt**

	At 1 October 2001 £	Cash flows £	Other non-cash changes £	At 30 September 2002 £
Cash at bank and in hand	354,968	618,349	-	973,317
Bank overdrafts	(603,475)	461,220	-	(142,255)
	(248,507)	1,079,569	-	831,062
Debt due within one year	(6,568,018)	(3,662,345)	-	(10,230,363)
Debt due after one year	(88,204,019)	(46,512,021)	-	(134,716,040)
Finance leases	(20,641)	12,406	-	(8,235)
	(95,041,185)	(49,082,391)	-	(144,123,576)

22. Contingent liabilities

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 2002 amounted to £55,669,848 (2001: £51,819,631) are secured on joint venture properties with a carrying value at that date of £81,085,110 (2001: £79,471,376).

23. Related parties

Turnover includes £221,139 (2001: £214,300) in respect of property maintenance and commissions receivable from companies and partnerships in which D A Pearlman has a material interest.

24. Post balance sheet events

Since the year end Structadene Limited has acquired a holding of 27.7% in Newport Holdings plc at an approximate cost of £7.0 million.