Company Registration No. 1892272 (England and Wales)

SUTHERLAND WALK DEVELOPMENTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 25 MARCH 2004



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SUTHERLAND WALK DEVELOPMENTS LIMITED

COMPANY INFORMATION

Directors	B D Foord Esq P J Foord Esq A J P *Conroy Esq* P J White Esq
Secretary	P J White Esq
Company number	1892272
Registered office	1 Devonshire Street London W1W 5DR
Auditors	Citroen Wells Devonshire House 1 Devonshire Street London W1W 5DR
Business address	Abbey House 9 Park Hill Clapham London SW4 9NS
Bankers	Lloyds TSB Bank Plc Business & Corporate Service Centre 4th Floor Hay's Lane House 1 Hay's Lane London SE1 2HA
Solicitors	Gately Wareing Knightsbridge House Lower Brown Street Leicester LE1 5NL Peters & Peters 3 Harewood Place Hanover Square London W19 1BX

SUTHERLAND WALK DEVELOPMENTS LIMITED

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The following pages do not form part of the statutory financial statements

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SUTHERLAND WALK DEVELOPMENTS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 25 MARCH 2004

The directors present their report and financial statements for the year ended 25 March 2004.

Principal activities
The Company is principally engaged in property development.

Directors
The following directors have held office since 26 March 2003:

B D Foord Esq
P J Foord Esq
A J P Conroy Esq
P J White Esq

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

	Ordinary shares of £ 1 each	
	25 March 2004	**26 March 2003**
B D Foord Esq	-	-
P J Foord Esq	-	-
A J P Conroy Esq	-	-
P J White Esq	-	-

The interests of Messrs B D Foord and P J Foord in the ultimate parent company are shown in the accounts of that company.

Auditors
The company has by elective resolution dated 26 February 1992 dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Citroen Wells, will be deemed to be reappointed for the succeeding financial year.

SUTHERLAND WALK DEVELOPMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 25 MARCH 2004

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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

B D Foord Esq
Director
29 November 2004

SUTHERLAND WALK DEVELOPMENTS LIMITED

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF SUTHERLAND WALK DEVELOPMENTS LIMITED

We have audited the financial statements of Sutherland Walk Developments Limited on pages 5 to 12 for the year ended 25 March 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), 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 the 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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

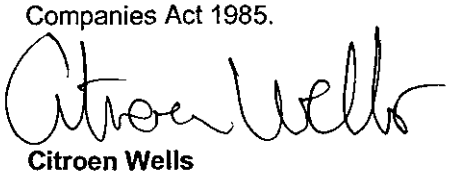
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
TO THE SHAREHOLDERS OF SUTHERLAND WALK DEVELOPMENTS LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 25 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Citroen Wells

29 November 2004

Chartered Accountants
Registered Auditors

Devonshire House
1 Devonshire Street
London
W1W 5DR

SUTHERLAND WALK DEVELOPMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 25 MARCH 2004

	Notes	2004 £	2003 £
Turnover		2,374,601	3,653,490
Cost of sales		(2,097,411)	(2,609,622)
Gross profit		277,190	1,043,868
Administrative expenses		(60,138)	(21,380)
Operating profit	2	217,052	1,022,488
Other interest receivable and similar income		2,468	2,970
Provisions against amounts due from subsidiary undertakings	4	(92,174)	86,807
Interest payable and similar charges		(67,550)	(65,079)
Profit on ordinary activities before taxation		59,796	1,047,186
Tax on profit on ordinary activities	5	(192,888)	(12,503)
(Loss)/profit on ordinary activities after taxation	13	(133,092)	1,034,683

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.

SUTHERLAND WALK DEVELOPMENTS LIMITED

BALANCE SHEET
AS AT 25 MARCH 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	6		1		1
Investments	7		502		502
			503		503
Current assets					
Stocks		7,517,382		7,036,519	
Debtors	8	3,070,921		2,665,336	
Cash at bank and in hand		117,860		360,200	
		10,706,163		10,062,055	
Creditors: amounts falling due within one year	9	(12,092,725)		(8,505,635)	
Net current (liabilities)/assets			(1,386,562)		1,556,420
Total assets less current liabilities			(1,386,059)		1,556,923
Creditors: amounts falling due after more than one year	10		(674,548)		(3,589,761)
Provisions for liabilities and charges	11		(105,323)		-
			(2,165,930)		(2,032,838)
Capital and reserves					
Called up share capital	12		250		250
Profit and loss account	13		*(2,166,180)*		*(2,033,088)*
Shareholders' funds			(2,165,930)		(2,032,838)

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 29 November 2004

B D Foord Esq
Director

P J Foord Esq
Director

SUTHERLAND WALK DEVELOPMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 25 MARCH 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements have been prepared on a going concern basis notwithstanding the excess of liabilities over assets. Because of the forbearance of the Company's creditors, the directors are confident that the Company will be able to continue trading for the foreseeable future.

The Company has taken advantage of the exemption in Financial Reporting Standards No. 1 from producing a cash flow statement, on the grounds that it is a wholly owned subsidiary of a UK Company and the accounts of the parent Company include a consolidated cash flow statement.

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Abbey Commercial Investments Limited, a company incorporated in England, and is included in the consolidated accounts of that company.

1.2 Turnover

Turnover, which all arose in the UK, represents the total invoice value of property sales and income receivable from the rental of the Company's properties held as trading stock excluding, where applicable, value added tax.

1.3 Tangible fixed assets and depreciation

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

Office fittings and equipment	25% on cost

1.4 Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

1.5 Stock and work in progress

The Company writes off its operating expenses as they are incurred, except for direct expenses on its property developments which are treated as trading stock until a sale is completed. Trading stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.6 Deferred taxation

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.

2 Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	-	303
Auditors' remuneration	14,100	5,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 25 MARCH 2004

3 Investment income

	2004	2003
	£	£
Bank interest	1,794	2,680
Other interest	674	290
	2,468	2,970

4 Amounts written off investments

	2004	2003
	£	£
Amounts written off fixed asset investments:		
- temporary diminution in value	-	(84,068)

5 Taxation

	2004	2003
	£	£
Domestic current year tax		
U.K. corporation tax	92,108	11,670
Adjustment for prior years	(4,543)	833
Current tax charge	87,565	12,503
Deferred tax		
Deferred tax charge current year	105,323	-
	192,888	12,503

6 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 26 March 2003 & at 25 March 2004	1,216
Depreciation	
At 26 March 2003 & at 25 March 2004	1,215
Net book value	
At 25 March 2004	1
At 25 March 2003	1

7 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 26 March 2003 & at 25 March 2004	502

The Company owns 100% of the issued share capital of Croft Business Centre Limited (Croft). Croft is engaged in property investment and is incorporated in England.

Croft's loss for the year ended 25 March 2004 was £(92,174) (2003 - a profit of £2,739).

The accumulated net liabilities at 25 March 2004 were £(241,942) (2003 - £(149,768)).

The Company also owns 100% of the issued share capital of Rufus Properties Limited (Rufus). Rufus is engaged in property development and is incorporated in England.

Rufus's profit for the year ended 25 March 2004 was £97,351 (2003 - £1,334,161).

The accumulated net assets at 25 March 2004 were £1,342,307 (2003 - £1,244,956).

Rufus also owns 60% of the issued share capital of Topevent Limited (Topevent). Topevent is engaged in property development and was incorporated in England.

Topevent's loss for the year ended 25 March 2004 was £(61,838) (2003 - £(13,965) for the period from 25 February 2002 to 25 March 2003).

The accumulated net liabilities at 25 March 2004 were £(65,803) (2003 - £(3,965)).

8 Debtors

	2004 £	2003 £
Trade debtors	33,004	16,833
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,812,322	2,505,780
Other debtors	225,595	142,723
	3,070,921	2,665,336

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 25 MARCH 2004

9 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	3,055,598	43,024
Trade creditors	9,511	111,208
Amounts owed to group undertakings and undertakings in which the company has a participating interest	8,706,596	8,286,170
Taxation and social security	92,108	11,670
Other creditors	228,912	53,563
	12,092,725	8,505,635

10 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	674,548	3,589,761
Analysis of loans		
Not wholly repayable within five years by instalments	730,146	750,000
Wholly repayable within five years	3,000,000	2,878,750
	3,730,146	3,628,750
Included in current liabilities	(3,055,598)	(38,989)
	674,548	3,589,761
Instalments not due within five years	498,325	531,901

The amounts shown above comprise the following loans:-

A loan with Lloyds TSB Bank Plc of £2,500,000 secured by a charge over certain of the Company's properties held as trading stock. Under the terms of this loan the Company has a choice of two options determining the amount of interest charged on the loan. The interest rate is variable under both options: at 2% above the Lloyds TSB Bank base rate or LIBOR. The loan repayment date is 28 February 2005.

A second loan with Lloyds TSB Bank Plc of £500,000 secured by a charge over certain of the Company's properties held as trading stock. Under the terms of this loan the Company has a choice of two options determining the amount of interest charged on the loan. The interest rate is variable under both options: at 2% above the Lloyds TSB Bank base rate or LIBOR. The loan is repayable by 20 February 2005.

A third loan with Lloyds TSB Bank Plc of £730,146 secured by a charge over certain of the Company's properties held as trading stock. Under the terms of this loan the Company has a choice of two options determining the amount of interest charged on the loan. The interest rate is variable under both options: at 2% above the Lloyds TSB Bank base rate or LIBOR. The loan is repayable by quarterly instalments and is to be fully repaid by 31 March 2017.

Lloyds TSB Bank Plc has also been granted a floating charge over all the Company's other assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 25 MARCH 2004

11 Provisions for liabilities and charges

	Deferred taxation £
Profit and loss account	105,323
Balance at 25 March 2004	105,323

Deferred taxation provided in the financial statements is as follows:

	2004 £	2003 £
Accelerated capital allowances	(72)	-
Disallowed stock provisions	(11,188)	-
Capital gains held over on development properties transferred from other group undertakings	116,583	-

12 Share capital

	2004 £	2003 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
250 Ordinary shares of £1 each	250	250

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 26 March 2003	(2,033,088)
Retained loss for the year	(133,092)
Balance at 25 March 2004	(2,166,180)

14 Contingent liabilities

The company is party to an omnibus letter of set off with other group undertakings in favour of Lloyds TSB Bank Plc.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 25 MARCH 2004

15 Capital commitments

At 25 March 2004 there were no commitments for capital expenditure.

16 Transactions with directors

Mr B.D. Foord and Mr P.J. Foord are partners in John Foord & Co. During the year ended 25 March 2004 the Company was charged £75,000 (2003 - £100,000) for services rendered to it by the partnership. At the year end, there was £35,000 due to John Foord & Co. (2003 - £41,125).

During the previous year the company sold one of its properties to the daughter of one of the directors, Mr AJP Conroy, at its market value of £77,500.

17 Control

The Company regards Abbey Commercial Investments Limited, incorporated in England, as its ultimate parent undertaking.