

Report of the Directors and
Financial Statements for the Year Ended 31 December 2000
for
Mitrecroft Limited

2027217.



DIRECTORS:

N Kelly
B Kelly

SECRETARY:

N Kelly

REGISTERED OFFICE:

The Old Prebendal House
Station Road
Shipton -U- Wychwood
Oxon
OX7 6BQ

REGISTERED NUMBER:

2027217 (England and Wales)

AUDITORS:

Lawrence Braham & Co.
Registered Auditor
8a Accommodation Road
London NW11 8ED

· Mitrecroft Limited

Report of the Directors

· for the Year Ended 31 December 2000

The directors present their report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development for investment.

DIRECTORS

The directors during the year under review were:

N Kelly

B Kelly

The directors holding office at 31 December 2000 did not hold any beneficial interest in the issued share capital of the company at 1 January 2000 or 31 December 2000.

STATEMENT OF 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.

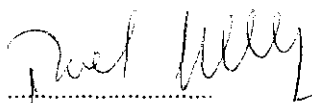
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Lawrence Braham & Co., will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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:



N Kelly - DIRECTOR

Dated: 7/9/01

Report of the Independent Auditors to the Shareholders of

We have audited the financial statements of Mitrecroft Limited for the year ended 31 December 2000 on pages four to eleven. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

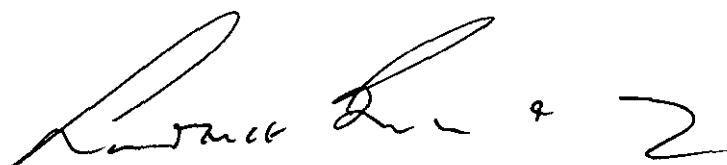
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Lawrence Braham & Co.
Registered Auditor
8a Accommodation Road
London NW11 8ED



Dated: 20 October 2001

· Mitrecroft Limited

Profit and Loss Account
· for the Year Ended 31 December 2000

		<u>31.12.00</u>	<u>31.12.99</u>
	Notes	£	£
TURNOVER	2	125,000	125,000
Administrative expenses		<u>2,675</u>	<u>3,344</u>
OPERATING PROFIT	3	122,325	121,656
Interest receivable and similar income		<u>-</u>	<u>143</u>
		122,325	121,799
Interest payable and similar charges		<u>125,728</u>	<u>119,553</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,403)	2,246
Tax on (loss)/profit on ordinary activities	4	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(3,403)	2,246
Retained profit brought forward		<u>59,080</u>	<u>56,834</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£55,677</u></u>	<u><u>£59,080</u></u>

The notes form part of these financial statements

· Mitrecroft Limited

Statement of Total Recognised Gains and Losses
· for the Year Ended 31 December 2000

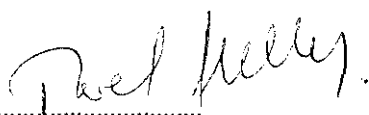
	<u>31.12.00</u>	<u>31.12.99</u>
	£	£
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(3,403)	2,246
Total gains and (losses) recognised relating to the year	—	—
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£(3,403)</u>	<u>£2,246</u>

The notes form part of these financial statements

		31.12.00		31.12.99	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		2,401,683		2,402,183
Investments	7		<u>308,718</u>		<u>-</u>
			2,710,401		2,402,183
CURRENT ASSETS:					
Debtors	8		-	696,296	
Cash at bank			<u>42</u>	<u>-</u>	
			42	696,296	
CREDITORS: Amounts falling due within one year	9		<u>379,470</u>	<u>401,190</u>	
NET CURRENT (LIABILITIES)/ASSETS:			<u>(379,428)</u>	<u>295,106</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,330,973	2,697,289	
CREDITORS: Amounts falling due after more than one year	10		<u>1,299,683</u>	<u>1,662,596</u>	
			<u>£1,031,290</u>	<u>£1,034,693</u>	
CAPITAL AND RESERVES:					
Called up share capital	12		110,002	110,002	
Revaluation reserve	13		865,611	865,611	
Profit and loss account			<u>55,677</u>	<u>59,080</u>	
SHAREHOLDERS' FUNDS:			<u>£1,031,290</u>	<u>£1,034,693</u>	

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 March 2000).

ON BEHALF OF THE BOARD:



N Kelly - DIRECTOR

Approved by the Board on 7/9/01

Notes to the Financial Statements
for the Year Ended 31 December 2000

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- not provided
Plant and machinery etc	- at 12.5% and 25% per annum on cost

No depreciation is provided on freehold property and improvements as they are maintained in good condition and in the opinion of the directors, any depreciation involved would not be material.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. **TURNOVER**

Turnover represents rental income and is derived wholly within the United Kingdom.

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	31.12.00	31.12.99
	£	£
Depreciation - owned assets	500	500
Auditors' remuneration	<u>2,000</u>	<u>2,150</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>-</u>

4. **TAXATION**

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2000 nor for the year ended 31 December 1999.

5. **GROUP FINANCIAL STATEMENTS**

The company has taken advantage of the exemption not to prepare group financial statements conferred by Section 248 Companies Act 1985.

Notes to the Financial Statements
for the Year Ended 31 December 2000

6. **TANGIBLE FIXED ASSETS**

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST OR VALUATION:			
At 1 January 2000			
and 31 December 2000	<u>2,400,000</u>	<u>54,694</u>	<u>2,454,694</u>
DEPRECIATION:			
At 1 January 2000	-	52,511	52,511
Charge for year	<u>-</u>	<u>500</u>	<u>500</u>
At 31 December 2000	<u>-</u>	<u>53,011</u>	<u>53,011</u>
NET BOOK VALUE:			
At 31 December 2000	<u>2,400,000</u>	<u>1,683</u>	<u>2,401,683</u>
At 31 December 1999	<u>2,400,000</u>	<u>2,183</u>	<u>2,402,183</u>

Cost or valuation at 31 December 2000 is represented by:

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
Valuation in 1997	2,400,000	-	2,400,000
Cost	<u>-</u>	<u>54,694</u>	<u>54,694</u>
	<u>2,400,000</u>	<u>54,694</u>	<u>2,454,694</u>

If Land & Buildings had not been revalued they would have been included at the following historical cost:

	31.12.00	31.12.99
	£	£
Cost	<u>1,534,389</u>	<u>1,534,389</u>

The company's freehold property and improvements were revalued by the directors at open market value on 31st December 1988 and the resultant loss carried to the profit and loss account. The cost shown above is the revalued amount plus additional expenditure to date. A further revaluation at open market value was carried out by the directors on 31st December 1997 in the sum of £2,400,000. This figure was based on a valuation by Grimleys, International Property Advisors, on 28th February 1996 of the property excluding that part disposed of in 1997. The valuation has been incorporated in the balance sheet and the surplus over net book amount of £865,611 has been added to the revaluation reserve.

Notes to the Financial Statements
for the Year Ended 31 December 2000

7. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 January 2000		2
Additions		<u>308,718</u>
At 31 December 2000		<u>308,720</u>
PROVISIONS:		
At 1 January 2000		
and 31 December 2000		<u>2</u>
NET BOOK VALUE:		
At 31 December 2000		<u><u>308,718</u></u>
At 31 December 1999		<u>-</u>
	31.12.00	31.12.99
	£	£
Unlisted investments	<u>308,718</u>	<u>-</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Old Prebendal House Limited

Nature of business: nursing and residential

	%		
Class of shares:	holding		
Ordinary shares	100.00		
		31.12.00	31.12.99
		£	£
Aggregate capital and reserves		191,320	125,249
Profit/(Loss) for the year		<u>66,071</u>	<u>(51,088)</u>

Pridestatus Limited

Nature of business: nursing and residential

	%	
Class of shares:	holding	
Ordinary shares	100.00	
Ordinary B shares	100.00	
		30.6.00
		£
Aggregate capital and reserves		585,583
Profit for the year		<u>61,480</u>

Notes to the Financial Statements
for the Year Ended 31 December 2000

8. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.00 £	31.12.99 £
Amounts owed by related companies	-	696,296
	<u>-</u>	<u>696,296</u>

9. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.00 £	31.12.99 £
Bank loans and overdrafts	106,667	106,747
Trade creditors	1,500	1,500
Amounts owed to subsidiary	255,143	142,433
Unsecured loan stock 1997-99	-	135,456
Accrued expenses	16,160	15,054
	<u>379,470</u>	<u>401,190</u>

10. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.12.00 £	31.12.99 £
Bank loans	1,299,683	1,363,052
Unsecured loan stock 1997-06	-	299,544
	<u>1,299,683</u>	<u>1,662,596</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans	<u>659,682</u>	<u>723,051</u>

11. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.00 £	31.12.99 £
Bank overdrafts	-	80
Bank loans	<u>1,406,350</u>	<u>1,469,719</u>
	<u>1,406,350</u>	<u>1,469,799</u>

The bank loan is repayable over a 15 year period in quarterly instalments commencing on 10 May 1997. The rate of interest is 2.5% over bank base rates. The bank loan and overdraft is secured on the freehold property of the company, also by intercompany cross guarantee and by debenture over the assets of the company and its subsidiary company.

Notes to the Financial Statements
for the Year Ended 31 December 2000

12. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	31.12.00	31.12.99
		value:	£	£
200,000	Ordinary shares	£1	<u>200,000</u>	<u>200,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal	31.12.00	31.12.99
		value:	£	£
110,002	Ordinary shares	£1	<u>110,002</u>	<u>110,002</u>

13. REVALUATION RESERVE

			31.12.00	31.12.99
			£	£
Brought forward			<u>865,611</u>	<u>865,611</u>

14. ULTIMATE PARENT COMPANY

Essex Quay Property & Management Limited, a company registered in the Republic of Ireland, is the ultimate holding company.

15. CONTINGENT LIABILITIES

There is a contingent liability in respect of a grant received from English Heritage for repairs to part of the company's freehold property. This grant would become repayable if certain conditions relating to public access and permissions for conversion or alteration were not complied with. The contingent liability in respect of this grant amounts to £96,600.

16. RELATED PARTY DISCLOSURES

The freehold property of the company is leased to its subsidiary company. Operating lease rental received were: 2000 (£125,000) and 1999 (£125,000). The following amounts were due from related companies. Rosewood Investments Limited £0 (1999-£16,296). Reading West Limited £0 (1999-£680,000). The following amounts were due to related companies. Rosewood Investments Limited Unsecured loan stock 1997-06 £0 (1999-£299,544). Essex Quay Property and Management Limited Unsecured loan stock 1997-99 £0 (1999-£135,456).