

Report of the Directors and
Financial Statements for the Year Ended 31 December 2001
for
Mitrecoft Limited

2027217



Contents of the Financial Statements
for the Year Ended 31 December 2001

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	3
Profit and Loss Account	4
Statement of Total Recognised Gains and Losses	5
Balance Sheet	6
Notes to the Financial Statements	7
Profit and Loss Account	12

Mitrecroft Limited

Company Information
for the Year Ended 31 December 2001

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

Report of the Directors
for the Year Ended 31 December 2001

The directors present their report with the financial statements of the company for the year ended 31 December 2001.

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 2001 did not hold any beneficial interest in the issued share capital of the company at 1 January 2001 or 31 December 2001.

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.

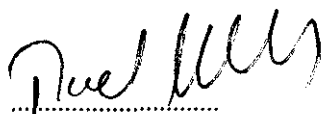
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

10/9/02

Report of the Independent Auditors to the Shareholders of
Mitrecroft Limited

We have audited the financial statements of Mitrecroft Limited for the year ended 31 December 2001 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.

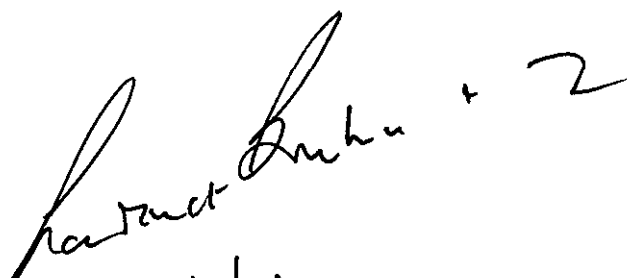
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2001 and of its profit 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:


10/9/02

Mitrecroft Limited

Profit and Loss Account
for the Year Ended 31 December 2001

		31.12.01	31.12.00
	Notes	£	£
TURNOVER	2	182,580	125,000
Administrative expenses		3,009	2,675
OPERATING PROFIT	3	179,571	122,325
Interest receivable and similar income		739	-
		180,310	122,325
Interest payable and similar charges		110,361	125,728
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		69,949	(3,403)
Tax on profit/(loss) on ordinary activities	4	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		69,949	(3,403)
Retained profit brought forward		55,677	59,080
RETAINED PROFIT CARRIED FORWARD		£125,626	£55,677

The notes form part of these financial statements

Mitrecroft Limited

Statement of Total Recognised Gains and Losses
for the Year Ended 31 December 2001

	31.12.01	31.12.00
	£	£
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	69,949	(3,403)
Total gains and (losses) recognised relating to the year		
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	£69,949	£(3,403)

The notes form part of these financial statements

Mitrecroft Limited

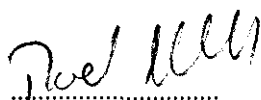
Balance Sheet

31 December 2001

		31.12.01		31.12.00	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	6		2,401,183		2,401,683
Investments	7		308,718		308,718
			<u>2,709,901</u>		<u>2,710,401</u>
CURRENT ASSETS:					
Cash at bank		135,739		42	
CREDITORS: Amounts falling due within one year	8	<u>523,749</u>		<u>379,470</u>	
NET CURRENT LIABILITIES:			<u>(388,010)</u>		<u>(379,428)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,321,891		2,330,973
CREDITORS: Amounts falling due after more than one year	9		<u>1,220,652</u>		<u>1,299,683</u>
			<u>£1,101,239</u>		<u>£1,031,290</u>
CAPITAL AND RESERVES:					
Called up share capital	11		110,002		110,002
Revaluation reserve	12		865,611		865,611
Profit and loss account			<u>125,626</u>		<u>55,677</u>
SHAREHOLDERS' FUNDS:			<u>£1,101,239</u>		<u>£1,031,290</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 12/1/02

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2001

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:

	31.12.01	31.12.00
	£	£
Depreciation - owned assets	500	500
Auditors' remuneration	2,000	2,000
	<u> </u>	<u> </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 2001 nor for the year ended 31 December 2000.

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 2001

6. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
COST OR VALUATION:			
At 1 January 2001 and 31 December 2001	2,400,000	54,694	2,454,694
DEPRECIATION:			
At 1 January 2001	-	53,011	53,011
Charge for year	-	500	500
At 31 December 2001	-	53,511	53,511
NET BOOK VALUE:			
At 31 December 2001	2,400,000	1,183	2,401,183
At 31 December 2000	2,400,000	1,683	2,401,683

Cost or valuation at 31 December 2001 is represented by:

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

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

	31.12.01	31.12.00
	£	£
Cost	1,534,389	1,534,389

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 2001

7. **FIXED ASSET INVESTMENTS**

	£	
COST:		
At 1 January 2001		
and 31 December 2001		308,720
PROVISIONS:		
At 1 January 2001		
and 31 December 2001		2
NET BOOK VALUE:		
At 31 December 2001		308,718
At 31 December 2000		308,718
	31.12.01	31.12.00
	£	£
Unlisted investments	308,718	308,718

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		
		31.12.01	31.12.00
		£	£
Aggregate capital and reserves		339,536	191,320
Profit for the year		148,216	66,071

Pridestatus Limited

Nature of business: nursing and residential

	%		
Class of shares:	holding		
Ordinary shares	100.00		
Ordinary B shares	100.00		
		30.6.01	30.6.00
		£	£
Aggregate capital and reserves		638,448	585,583
Profit for the year		52,865	61,480

Notes to the Financial Statements
for the Year Ended 31 December 2001

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

	31.12.01	31.12.00
	£	£
Bank loans and overdrafts	107,134	106,667
Trade creditors	1,500	1,500
Amounts owed to subsidiary	402,050	255,143
Accrued expenses	13,065	16,160
	<u>523,749</u>	<u>379,470</u>

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

	31.12.01	31.12.00
	£	£
Bank loans	<u>1,220,652</u>	<u>1,299,683</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>580,651</u>	<u>659,682</u>

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	31.12.01	31.12.00
	£	£
Bank overdrafts	467	-
Bank loans	<u>1,327,319</u>	<u>1,406,350</u>
	<u>1,327,786</u>	<u>1,406,350</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.

11. **CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	31.12.01	31.12.00
			£	£
200,000	Ordinary shares	£1	<u>200,000</u>	<u>200,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.01	31.12.00
			£	£
110,002	Ordinary shares	£1	<u>110,002</u>	<u>110,002</u>

Notes to the Financial Statements
for the Year Ended 31 December 2001

12. REVALUATION RESERVE

	31.12.01	31.12.00
	£	£
Brought forward	865,611	865,611

13. ULTIMATE PARENT COMPANY

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

14. 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.

15. RELATED PARTY DISCLOSURES

The freehold property of the company is leased to its subsidiary company. Operating lease rental received were: 2001 (£170,000) and 2000 (£125,000).