



Campmoss Property Company Limited

Directors' report and financial
statements

Registered number 2090479

30 September 2000

Contents

Directors' report	1
Statement of directors' responsibilities	2
Report of the auditors to the members of Campmoss Property Company Limited	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes	7-14

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 September 2000.

Principal activities

The company's principal activity is that of property investment and development.

Business review

The profit for the year retained in the company is £319,339 (1999: £699,063).

Proposed dividend

The directors do not recommend the payment of a dividend (1999: *£nil*).

Directors and directors' interests

The directors who held office during the year were as follows:

E R Goodwin
J R Wollenberg

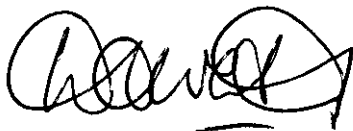
The directors had the following interests in the ordinary shares of the company:

	Ordinary shares of £1 each	
	30 September 2000	30 September 1999
E R Goodwin	25,500	25,500
J R Wollenberg	25,000	25,000

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



D A Whitaker
secretary

Registered Office:
Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff
CF24 0TE

30 November 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Marlborough House
Fitzalan Court
Fitzalan Road
Cardiff
CF24 0TE
United Kingdom

Report of the auditors to the members of Campmoss Property Company Limited

We have audited the financial statements on pages 4 to 14.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report, and as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. 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.

Basis of audit opinion

We conducted our audit in accordance with 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 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants
Registered Auditors

30 November 2000

Profit and loss account
for the year ended 30 September 2000

	<i>Note</i>	2000 £	1999 £
Turnover	<i>1</i>	1,647,733	1,615,569
Cost of sales		(397,740)	(107,683)
Gross profit		1,249,993	1,507,886
Administrative expenses		(52,806)	(61,623)
Other operating income		-	1,500
Operating profit		1,197,187	1,447,763
Interest receivable and similar income	<i>2</i>	5,120	13,379
Interest payable and similar charges	<i>3</i>	(882,968)	(762,079)
Profit on ordinary activities before taxation	<i>4</i>	319,339	699,063
Tax on profit on ordinary activities	<i>5</i>	-	-
Profit on ordinary activities after taxation being retained profit for the financial year		319,339	699,063
Retained profit brought forward		1,956,477	1,257,414
Retained profit carried forward		2,275,816	1,956,477

The above results relate entirely to continuing activities.

Statement of total recognised gains and losses
for the year ended 30 September 2000

	2000 £	1999 £
Profit for the financial year	319,339	699,063
Unrealised surplus on revaluation of investment property	600,000	936,901
Total recognised gains and losses relating to the year	919,339	1,635,964

There is no difference between the company's result as reported and the historical cost result in either year.

Balance sheet
at 30 September 2000

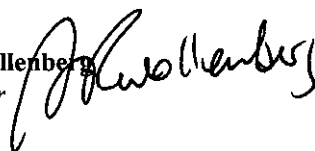
	<i>Note</i>	2000	1999
		£	£
Fixed assets			
Tangible assets:			
Investment properties	6	20,656,091	18,449,736
Other assets	7	3,192	4,790
Investment	8	2	2
		20,659,285	18,454,528
Current assets			
Debtors	9	767,747	720,513
Cash at bank and in hand		413,943	297,360
		1,181,690	1,017,873
Creditors: amounts falling due within one year	10	(6,769,950)	(1,402,772)
Net current liabilities		(5,588,260)	(384,899)
Total assets less current liabilities		15,071,025	18,069,629
Creditors: amounts falling due after more than one year	11	(5,688,820)	(9,606,763)
Provisions for liabilities and charges	12	(154,500)	(154,500)
Net assets		9,227,705	8,308,366
Capital and reserves			
Called up share capital	14	1,050,000	1,050,000
Investment property revaluation reserve	15	5,901,889	5,301,889
Profit and loss account		2,275,816	1,956,477
Shareholders' funds - equity	16	9,227,705	8,308,366

These financial statements were approved by the board of directors on 30 November 2000 and were signed on its behalf by:

E R Goodwin
Director



J R Wollenberg
Director



Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 1985, except as described under 'investment properties' below, in accordance with applicable accounting standards and under the historical cost accounting rules, as modified for the valuation of freehold land and buildings.

Under Section 248 of the Companies Act 1985 the directors have not prepared group financial statements on the grounds that the group headed by the company qualifies as a small group. Consequently these financial statements present information about the company as an individual company, not as a group.

Investment properties

Design, construction and management expenses together with interest incurred in respect of investment properties in the course of development are capitalised until the building is effectively completed and available for letting along with the costs directly attributable to the initial letting of newly developed properties. Thereafter they are charged to the profit and loss account. Whilst under development such properties are classified as assets in the course of construction and any accumulated revaluation surpluses or deficits are transferred from the investment property revaluation reserve to a separate revaluation reserve. These properties are also revalued at the year end and surpluses or deficits transferred to that revaluation reserve. As assets in the course of construction are not in use they are not depreciated.

When completed, these properties are transferred back to investment properties and accumulated revaluation surpluses or deficits transferred back to the investment property revaluation reserve.

In accordance with Statement of Standard Accounting Practice No 19:

- investment properties are revalued annually and surpluses or deficits are transferred to a revaluation reserve unless a deficit on an individual property is considered permanent. In this case the deficit is charged to the profit and loss account and any subsequent reversal is credited to the profit and loss account in the period in which it arises.
- no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years unexpired.

This treatment as regards certain of the company's investment properties may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Depreciation

Provision is made for depreciation on other tangible fixed assets so as to write off their cost less the estimated residual value on a straight-line basis over their expected useful lives as follows:

Fixtures and fittings - 5 years

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise. In the case of investment properties where a sale is foreseen the provision is based on the taxation which would arise on the disposal of such investment properties at their book valuation. The provision is charged to the profit and loss account or, to the extent that it relates to an investment property revaluation reserve, against that reserve.

Turnover

Turnover represents rents receivable from tenants (excluding value added tax).

Reverse premiums

Reverse premiums paid as an incentive to encourage tenants to take up occupancy of the company's freehold premises are amortised on a straight line basis over the period between the payments being made and the date of the next rent review.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement as the group it heads qualifies as a small group.

2 Interest receivable and similar income

This comprises wholly bank interest receivable.

3 Interest payable

	2000 £	1999 £
Paid to The Cardiff Property plc	43,070	141,670
On institutional loans	839,898	620,409
	882,968	762,079

Notes (continued)

4 Profit on ordinary activities before taxation

	2000 £	1999 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditors' remuneration - audit	4,900	3,900
- non audit	9,000	3,200
Depreciation of tangible fixed assets	1,598	1,562
Management fees	265,338	-

Each director received fees of £6,000 totalling £12,000 (1999: £nil). The company had no employees in either year.

5 Taxation

No liability to corporation tax arose in either 2000 or 1999 due to excess management expenses and capital losses brought forward which were utilised against taxable profits for the year.

6 Investment properties

	Freehold properties £
At 1 October 1999	18,449,736
Additions	1,606,355
Revaluation	600,000
At 30 September 2000	20,656,091

The cumulative amount of interest capitalised within investment properties at 30 September 2000 was £936,520 (1999: £936,520).

At 30 September 2000 properties were included at directors' valuation on the basis of open market.

The historical cost of investment property at 30 September 2000 was £14,754,202 (1999: £13,147,847).

Notes (continued)

7 Other fixed assets

	Fixtures and fittings
	£
Cost	
At beginning and end of year	7,876
Depreciation	
At beginning of year	3,086
Charge for year	1,598
At end of year	4,684
Net book value	
At 30 September 2000	3,192
At 30 September 1999	4,790

8 Investments

This represents an investment in the entire share capital of Campmoss Property Development Limited (a company registered in England and Wales), a wholly owned subsidiary undertaking of the company, which has not traded in the two years to 30 September 2000.

Campmoss Property Development Limited's aggregate capital and reserves as at 30 September 2000 amounted to £4,489 (1999: £4,489). During the year it made neither a profit nor a loss (1999: £nil).

Notes (continued)

9 Debtors

	2000 £	1999 £
Trade debtors	191,736	215,003
Amounts owed by The Cardiff Property plc	11,750	-
Amounts owed by Deepwood Properties (note 17)	11,750	6,432
Other debtors	534,978	482,981
Prepayments and accrued income	17,533	16,097
	<u>767,747</u>	<u>720,513</u>

10 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdraft	96,712	2,062
Other loans (see note 11)	3,944,647	168,000
Trade creditors	8,422	49,890
Amounts owed to The Cardiff Property plc	1,490,501	48,183
Amounts owed to Deepwood Properties	3,778	-
Amounts owed to subsidiary	2,489	2,489
Other taxes and social security	97,706	65,606
Accruals and deferred income	192,140	217,610
Rents received in advance	396,726	364,637
Other creditors	536,829	484,295
	<u>6,769,950</u>	<u>1,402,772</u>

11 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Other loans		
Repayable within		
1 - 2 years	161,446	3,961,609
2 - 5 years	2,804,213	2,754,000
After more than 5 years	2,723,161	2,891,154
	<u>5,688,820</u>	<u>9,606,763</u>

The other loans, from Norwich Union Mortgage Finance Limited, are secured by a first legal charge on certain freehold investment property.

Notes (continued)

11 Creditors: amounts falling due after more than one year (continued)

Interest is payable on the amounts outstanding, including amounts falling due within one year, at the following rates:

	£
At 6.72%	2,339,858
At 8.31%	2,250,000
At 7.45%	1,250,000
At 10.37%	2,425,000
At between 8.71% and 9.30%	1,368,609
	9,633,467

12 Provisions for liabilities and charges

	£
At beginning and end of year	154,500

Provisions represent the directors' best estimate of the cost of resolving claims against the company in respect of property developments. The timing of settlement of such claims and the ultimate costs will depend upon the outcome of ongoing discussions and actions.

13 Deferred tax

The potential unprovided liability for deferred taxation at 30% (1999: 30%) is as follows:

	2000 £	1999 £
Difference between tax value and net book value of fixed assets	2,023,000	1,700,000
Excess expenses carried forward	(238,000)	(270,000)
	1,785,000	1,430,000

No deferred taxation has been provided as the directors do not anticipate the sale of the investment properties, at which point the potential liability would crystallise, in the foreseeable future.

The unrelieved losses carried forward are subject to Inland Revenue approval.

Notes (continued)

14 Share capital

	2000 £	1999 £
<i>Authorised</i>		
5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
<i>Allotted, called up and fully paid</i>		
1,050,000 ordinary shares of £1 each	1,050,000	1,050,000

15 Investment property revaluation reserve

	£
At 1 October 1999	5,301,889
On revaluation in the year	600,000
At 30 September 2000	5,901,889

16 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
At 1 October 1999	8,308,366	6,672,402
Profit for the financial year	319,339	699,063
Revaluation of investment property	600,000	936,901
At 30 September 2000	9,227,705	8,308,366

Notes (continued)

17 Related party transactions

During the year the company entered into the following material transactions with related parties:

Party	Nature of transactions	Value		Balance due (to)/from related party at 30 September	
		2000 £	1999 £	2000 £	1999 £
Deepwood Properties	Development work on assets under construction	11,294	8,137	(3,778)	6,432
	Management fees charged by the company	120,000	-	11,750	-
Camptoss Property Developments Limited	Purchases or payment of costs by the company	-	-	(2,489)	(2,489)
The Cardiff Property plc	Loan received	1,788,854	279,543	(1,490,501)	(48,183)
	Loan repaid	300,000	2,440,353	-	-
	Loan interest charged to the company	38,945	72,894	-	-
	Management fees charged by the company	145,338	68,776	11,750	-

Construction, management and maintenance of the company's property portfolio is carried out by Deepwood Properties, a business of which Mr E R Goodwin, a director of the company and joint venture shareholder, is the sole proprietor.

Payments made are in accordance with costs incurred by prior agreement between the shareholders and are priced on an arm's length basis.

The Cardiff Property plc is a joint venture investor in the company and provides administration services. Of the amounts due to that company at 30 September 2000 £1,488,836 (1999: £39,190) represents outstanding loans, with the remainder relating to trading.

18 Capital commitments

There were no capital commitments under contracts at 30 September 2000 (1999: £30,000).