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PSH (Croydon) Limited
(formerly PSH (Christopher Wren Yard) Limited)

Report and financial statements

for the year ended 23 June 2002



PSH (Croydon) Limited
(formerly PSH (Christopher Wren Yard) Limited)

Report and Financial Statements for the year ended 23 June 2002

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Directors and Advisers

Directors: G Randall
 A P Oakley

Secretary and Registered Office: C Doig
 133 Ebury Street
 London SW1W 9QU

Registered in England Number: 2232721

Registered auditors: Integer
 Chartered Accountants
 35-37 Fitzroy Street
 London W1T 6DX

PSH (Croydon) Limited (formerly PSH (Christopher Wren Yard) Limited)
Report of the directors for the year ended 23 June 2002

The directors present their report together with the audited financial statements for the year ended 23 June 2002.

Principal activity and review of business and change of name

The principal activity of the company is property trading.

The results for the period are set out in the profit and loss account on page 4.

The directors consider the period end financial position to be satisfactory.

The company changed its name from PSH (Christopher Wren Yard) Limited to PSH (Croydon) Limited on 12 February 2002.

Directors

The directors at 23 June 2002, all of whom have been directors for the whole of the year ended on that date, are listed below:

G Randall
A P Oakley

Directors' interests in the shares of the company

The directors of the company at 23 June 2002 had no interests in the ordinary shares of the company.

The interests of the directors in the shares of the parent undertaking are disclosed in the directors' report of that undertaking.

The directors have no other interests in the shares of group undertakings.

By order of the Board

C Doig
Secretary



4 February 2003

Creditors Payment Policy

The Company's policy on payment of its creditors is within 30 days of invoice date.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable judgements and estimates have been made in the preparation of the financial statements for the year ended 23 June 2002. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

A resolution to reappoint Integer as the company's auditors will be proposed at the annual general meeting.

Registered Office:
133 Ebury Street
London SW1W 9QU

**Report of the auditors to the members of
PSH (Croydon) Limited (formerly PSH (Christopher Wren Yard) Limited)**

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 at 23 June 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Integer
Chartered Accountants and Registered Auditors
London

4 February 2003

PSH (Croydon) Limited (formerly PSH (Christopher Wren Yard) Limited)
Profit and Loss Account for the year ended 23 June 2002

	Notes	2002 £	2001 £
Turnover	2	35,050	2,789,959
Cost of Sales		-	(2,727,977)
Gross profit		35,050	61,982
Net operating expenses	3	(16,306)	30,951
Operating profit		18,744	92,933
Other income		-	56
Interest payable and similar charges	5	(57,222)	(23,528)
(Loss)/profit on ordinary activities before taxation	6	(38,478)	69,461
Taxation credit/(charge) on ordinary activities	7	6,962	(31,641)
(Loss)/profit for the Financial Year		<u>£ (31,516)</u>	<u>£ 37,820</u>

The company has no recognised gains and losses other than those included in the loss above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the (loss)/profit on ordinary activities after taxation and the retained (loss)/profit for the period stated above and their historical cost equivalents.

PSH (Croydon) Limited (formerly PSH (Christopher Wren Yard) Limited)
Balance Sheet - 23 June 2002

	Notes	2002 £	2001 £
Current assets			
Properties held for resale	8	583,140	510,000
Debtors	9	16,619	17,673
Bank		5,571	1,554
		605,330	529,227
Creditors: amounts falling due within one year	10	(2,981,386)	(2,873,767)
Net current liabilities		<u>£ (2,376,056)</u>	<u>£ (2,344,540)</u>
Capital and reserves			
Equity share capital	11	2	2
Profit and loss account	12	(2,376,058)	(2,344,542)
Equity shareholders' funds	13	<u>£ (2,376,056)</u>	<u>£ (2,344,540)</u>

The financial statements on pages 4 to 8 were approved by the board of directors on 4 February 2003 and signed on its behalf by:

G. Randall

G RANDALL
Director

PSH (Croydon) Limited (formerly PSH (Christopher Wren Yard) Limited)
Notes to the financial statements - 23 June 2002

1 Principal accounting policies

The financial statements have been prepared in accordance with Accounting Standards applicable in the United Kingdom. A summary of the more important accounting policies which have been applied consistently, is set out below:

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

(b) Properties held for resale

Properties held for resale are stated at the lower of cost and net realisable value. Cost includes development costs which have been capitalised.

(c) Turnover

Turnover comprises rental income and the gross proceeds from the sale of properties. It all arose in the United Kingdom and is stated net of Value Added Tax.

(d) Cash flows

The company is a wholly owned subsidiary of Portman Square Holdings plc and the cash flows of this company are included in the consolidated cash flow statement of Portman Square Holdings plc. Consequently the company is exempt under the requirements of Financial Reporting Standard No. 1 from publishing a cash flow statement.

2 Turnover

	2002	2001
	£	£
Property sales	-	2,550,000
Rent receivable	35,050	239,959
	<u>£ 35,050</u>	<u>£ 2,789,959</u>

3 Net operating expenses

	2002	2001
	£	£
Property expenses	16,248	(31,334)
Administration expenses	58	383
	<u>£ 16,306</u>	<u>£ (30,951)</u>

4 Directors Remuneration

The only employees are the directors, who receive no remuneration in respect of their services.

5 Interest Payable and Similar Charges

	2002	2001
	£	£
On late payment of tax	41	-
On bank and other loans repayable within five years	33,131	23,528
On variable rate loan stock	24,050	-
	<u>£ 57,222</u>	<u>£ 23,528</u>

PSH (Croydon) Limited (formerly PSH (Christopher Wren Yard) Limited)
Notes to the financial statements - 23 June 2002 continued

6 Profit on ordinary activities before taxation

Accounting and audit fees of the company are borne by another group company. Accordingly, the company has incurred no direct audit costs.

7 Taxation

	2002 £	2001 £
Tax charge for the year at 19.25% (2001 – 20%)	-	31,650
Over provision in previous year	(6,962)	(9)
	<u>£ (6,962)</u>	<u>£ 31,641</u>

Reconciliation of tax charge

	2002 £	2001 £
Loss/profit per profit and loss account	(38,478)	69,461
Tax at(20%)	-	13,892
Tax on difference between accounts cost of trading property sold and tax cost	-	22,458
Effect of group relief claimed	-	(13,117)
	-	23,233
Tax over-provided	-	8,417
Current tax charge as per profit and loss account	<u>£ -</u>	<u>£ 31,650</u>

The company has not created a deferred tax asset in respect of losses because of the uncertainty of future profits arising.

8 Properties Held for Resale

	2002 £	2001 £
At cost	<u>£583,140</u>	<u>£510,000</u>
At valuation	<u>£650,000</u>	<u>£650,000</u>

9 Debtors

	2002 £	2001 £
Trade debtors	14,119	14,841
Amounts owed by group undertakings	2,500	2,500
Other debtors	-	332
	<u>£ 16,619</u>	<u>£ 17,673</u>

PSH (Croydon) Limited (formerly PSH (Christopher Wren Yard) Limited)
Notes to the financial statements - 23 June 2002 continued

10 Creditors: Amounts falling due within one year

	2002	2001
	£	£
Trade creditors	648	239
Amounts owing to group undertakings	2,897,687	2,836,878
Other taxes and social security	1,151	-
Corporation tax	-	31,650
Other creditors	81,900	5,000
	<u>£ 2,981,386</u>	<u>£ 2,873,767</u>

Other creditors include £76,900 due to participators in the Variable Rate Unsecured Loan Stock 2000 issued by a fellow subsidiary PSH (West Croydon) Limited. Under this agreement the participants were entitled to a share of the uplift in value of the property held for resale when it was transferred to PSH (Croydon) Limited. PSH (Croydon) has agreed to undertake to pay this amount on behalf of PSH (West Croydon) Limited.

11 Share capital

	2002	2001
	£	£
Authorised		
100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>£ 2</u>	<u>£ 2</u>

12 Reserves

	Profit and loss account £
At 24 June 2001	(2,344,542)
Retained loss for the year	(31,516)
At 23 June 2002	<u>£ (2,376,058)</u>

13 Reconciliation of movements in equity shareholders' funds

	2002	2001
	£	£
(Loss)/profit for the financial year	(31,516)	37,820
Opening equity shareholders' funds	(2,344,540)	(2,382,360)
Closing equity shareholders' funds	<u>£ (2,376,056)</u>	<u>£ (2,344,540)</u>

14 Related party transactions

Mr G Randall and Mr A P Oakley are partners of Randall Oakley & Company. During the year to 23 June 2002 the Partnership provided management and professional services to the Group for fees of £22,140 on an arms length basis.

PSH (Croydon) Limited (formerly PSH (Christopher Wren Yard) Limited)
Notes to the financial statements - 23 June 2002 continued

15 Contingent liabilities

The company has cross-guaranteed certain bank facilities of its fellow group undertakings. At 23 June 2002 these borrowings amounted to £599,519 (2001 - £709,467).

16 Parent Undertaking

In the opinion of the directors the ultimate parent undertaking is Portman Square Holdings plc, which is registered in England and Wales. According to the register kept by the company, Portman Square Holdings plc held a 100% interest in the share capital of the company at 23 June 2002. Copies of the parent's consolidated financial statements may be obtained from 133 Ebury Street, London SW1W 9QU.

PSH (Croydon) Limited (formerly PSH (Christopher Wren Yard) Limited)
Trading and profit and loss account for the year ended 23 June 2002

	2002 £	2001 £
Turnover		
Property sales	-	2,550,000
Rents received	35,050	224,543
Dilapidations	-	15,416
	35,050	2,789,959
Cost of sales		
Property costs	-	2,580,000
Professional fees on sale	-	147,977
	-	2,727,977
Gross profit	35,050	61,982
Property expenses		
Empty rates and water charges	4,604	2,480
Rent collection commission	594	-
Professional fees	5,767	28,349
Repairs and maintenance	468	9,584
Insurance	4,815	(3,321)
Light and heat	-	7,034
Recovered from tenants	-	(78,537)
Bad debts	-	3,077
	16,248	(31,334)
Administration Expenses		
Miscellaneous	10	190
Bank charges	48	193
	58	383
Operating Profit	18,744	92,933
Interest receivable	-	56
Interest payable	(57,222)	(23,528)
(Loss)/profit before Taxation	<u>£ (38,478)</u>	<u>£ 69,461</u>