Company Registration No. 3216813 (England and Wales)

CRESSIDA (FOSTER LANE) LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2003



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CRESSIDA (FOSTER LANE) LIMITED

COMPANY INFORMATION

Director	J D Harris CBE, FRICS
Secretary	A Topper
Company number	3216813
Registered office	10 Charterhouse Square London EC1M 6LQ
Auditors	FW Stephens 10 Charterhouse Square London EC1M 6LQ
Business address	Birkett House 27 Albemarle Street London W1X 4LQ

CRESSIDA (FOSTER LANE) LIMITED

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CRESSIDA (FOSTER LANE) LIMITED

DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 JUNE 2003

The director presents his report and financial statements for the year ended 30 June 2003.

Principal activities
The company's principal activity is investment in properties.

Director
The following director has held office since 1 July 2002:

J D Harris CBE, FRICS

Director's interests
The director, JD Harris, served throughout the year and has no beneficial interests in the share capital of the company. His interest in the holding company, Cressida Investments Limited, can be seen in that company's accounts.

Auditors
In accordance with section 385 of the Companies Act 1985, a resolution proposing that FW Stephens be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities
Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

By order of the board

.....
A Topper
Secretary
25th March 2004

CRESSIDA (FOSTER LANE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CRESSIDA (FOSTER LANE) LIMITED

We have audited the financial statements of Cressida (Foster Lane) Limited on pages 3 to 9 for the year ended 30 June 2003. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention (as modified by the revaluation of certain fixed assets) 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 director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 director 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 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

FW Stephens

Chartered Accountants
Registered Auditor

10 Charterhouse Square
London
EC1M 6LQ

CRESSIDA (FOSTER LANE) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2003

	Notes	2003 £	2002 £
Turnover		52,969	67,683
Cost of sales		(3,012)	(17,479)
Gross profit		49,957	50,204
Administrative expenses		(27,004)	(24,360)
Operating profit	2	22,953	25,844
Other interest receivable and similar income		231	6,772
Interest payable and similar charges		(25,323)	(23,792)
(Loss)/profit on ordinary activities before taxation		(2,139)	8,824
Tax on (loss)/profit on ordinary activities	3	5,440	(1,572)
Profit on ordinary activities after taxation	9	3,301	7,252

CRESSIDA (FOSTER LANE) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 30 JUNE 2003

	2003 £	2002 £
Profit for the financial year	3,301	7,252
Unrealised surplus on revaluation of properties	170,000	-
Total recognised gains and losses relating to the year	173,301	7,252

CRESSIDA (FOSTER LANE) LIMITED

BALANCE SHEET
AS AT 30 JUNE 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	4		870,000		700,000
Current assets					
Debtors	5	351,519		312,007	
Cash at bank and in hand		5,934		59,263	
		357,453		371,270	
Creditors: amounts falling due within one year	6	(21,326)		(30,299)	
Net current assets			336,127		340,971
Total assets less current liabilities			1,206,127		1,040,971
Creditors: amounts falling due after more than one year	7		(451,902)		(460,047)
			754,225		580,924
Capital and reserves					
Called up share capital	8		4,500		4,500
Revaluation reserve	9		435,653		265,653
Other reserves	9		500		500
Profit and loss account	9		313,572		310,271
Shareholders' funds			754,225		580,924

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 25th March 2004

J D Harris CBE, FRICS
Director

CRESSIDA (FOSTER LANE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

This comprises rent receivable from the tenant, credit for which is taken on an accruals basis.

1.3 Tangible fixed assets and depreciation

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

2 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	1,175	1,543

3 Taxation

	2003	2002
	£	£
Domestic current year tax		
U.K. corporation tax	-	1,600
Adjustment for prior years	(5,440)	(28)
Current tax charge	(5,440)	1,572

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2003

4 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 July 2002	700,000
Revaluation	170,000
At 30 June 2003	870,000

The company's investment property is included at the director's estimate of open market value.

The potential taxation liability on the sale of the property at the value included in the balance sheet amounts to £116,067 (2002: £69,144) for the company. No provision has been made for this liability.

5 Debtors

	2003 £	2002 £
Trade debtors	8,879	23,691
Amounts owed by group undertakings and undertakings in which the company has a participating interest	341,577	288,316
Other debtors	1,063	-
	351,519	312,007

6 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	10,000	10,000
Trade creditors	-	2,550
Taxation and social security	-	1,600
Other creditors	11,326	16,149
	21,326	30,299

7 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loans	451,902	460,047
Analysis of loans		
Wholly repayable within five years	461,902	470,047
Included in current liabilities	(10,000)	(10,000)
	451,902	460,047

The loan is secured by a fixed charge over the freehold property and a floating charge over the assets and obligations of the company.

8 Share capital	2003 £	2002 £
Authorised		
5,000 Ordinary shares of £1 each	5,000	5,000
Allotted, called up and fully paid		
4,500 Ordinary shares of £1 each	4,500	4,500

9 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 July 2002	265,653	500	310,271
Retained profit for the year	-	-	3,301
Revaluation during the year	170,000	-	-
Balance at 30 June 2003	435,653	500	313,572

Other reserves

Capital redemption reserve	
Balance at 1 July 2002 & at 30 June 2003	500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2003

10 Control

The company regards Cressida Investments Limited, incorporated in England and Wales, as its ultimate holding company. This company is under the ultimate control of J.D. Harris, a director of Cressida Investments Limited, whose interest in the share capital of that company is disclosed in its financial statements.

11 Related party transactions

During the year the company was charged management fees of £22,000 by Cressida Securities Limited, a fellow subsidiary. At 30th June 2003 Cressida (Foster Lane) Limited was owed £341,577 (2002: £288,316) by it's parent company Cressida Investments Limited.