

Company Registration No. 3340539 (England and Wales)

**COPY FOR
REGISTRAR OF
COMPANIES**

RSA ISLAND VILLAGE LIMITED

A COMPANY LIMITED BY GUARANTEE

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2000



RICHARD ANTHONY & COMPANY
Chartered Accountants and Registered Auditors

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
COMPANY INFORMATION

Directors	G J Walker M F Jewell M A Polledri
Secretary	J C Collett
Company number	3340539
Registered office	13 Station Road Finchley London N3 2SB
Auditors	Richard Anthony & Company 13 Station Road Finchley London N3 2SB

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
CONTENTS

	Page
Chairman's statement	1
Directors' report	2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 10

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 MARCH 2000

I am pleased to report that as of the current date things are continuing to go according to plan on this project. The refurbishment has now completed, albeit we are into the traditional "snagging" for the work. A Letting and Marketing office was opened in December 2000 and we have set an 80% target for occupation of the building by the end of the calendar year 2001. So far we are achieving that schedule.

The Live and Work units have received planning permission for residential use and a number of these units are being sold to the advantage of the company. It is expected that a formal opening of the RSA Island Centre will take place in the autumn of 2001.

At the balance sheet date, the company had arranged a loan facility with the Allied Irish Bank of £850,000, and a further bridging facility of £290,000, reinforced by grants available of nearly £300,000. In view of these funding arrangements, the directors are satisfied that the liabilities of the company will continue to be met, and that there is sufficient funds available to complete the project.

As the project concludes, we are anticipating a growing rent roll to be established, together with proceeds from sales of residential units, all within the next twelve months. These factors are budgeted to reduce significantly the company's exposure to debt finance.

As explained in the Accounting Policy note to the Financial Statements, capital grants received have been credited to a deferred revenue account, to be released upon eventual disposal of the development. As the grants have not been credited to profit and loss, this has the effect of suppressing the net asset value of the company.



Gary Walker
Chairman
1 May 2001

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2000

The directors present their report and financial statements for the year ended 31 March 2000.

Principal activities

The principal activity of the company continued to be that of property development and to generate funds to assist in economic development. Such funds are to be channelled through the Enfield Enterprise Agency, whilst the Agency exists for this purpose.

Directors

The following directors have held office since 1 April 1999:

G J Walker
M F Jewell
M A Polledri

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Richard Anthony & Company be reappointed as auditors of the company will be put to the Annual General Meeting.

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.

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



J C Collett
Secretary
1 May 2001

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
AUDITORS' REPORT
TO THE SHAREHOLDERS OF RSA ISLAND VILLAGE LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 as at 31 March 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Richard Anthony & Co.

Richard Anthony & Company
Chartered Accountants
Registered Auditors
13 Station Road
Finchley
London
N3 2SB

6th June 2001

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000

	Notes	2000 £	1999 £
Management expenses		(94,946)	(75,996)
Operating loss	2	(94,946)	(75,996)
Other interest receivable and similar income		19,697	20,259
Interest payable and similar charges		(2,040)	-
Loss on ordinary activities before taxation		(77,289)	(55,737)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	10	(77,289)	(55,737)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

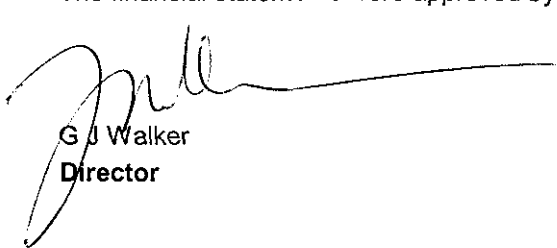
There are no recognised gains and losses other than those passing through the profit and loss account.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
BALANCE SHEET
AS AT 31 MARCH 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	4	2,141,504		368,619	
Investments	5	100		-	
		<u>2,141,604</u>		<u>368,619</u>	
Current assets					
Debtors	6	160,046		11,722	
Cash at bank and in hand		47,085		576,908	
		<u>207,131</u>		<u>588,630</u>	
Creditors: amounts falling due within one year	7	<u>(667,828)</u>		<u>(22,158)</u>	
Net current (liabilities)/assets		<u>(460,697)</u>		<u>566,472</u>	
Total assets less current liabilities		<u>1,680,907</u>		<u>935,091</u>	
Creditors: amounts falling due after more than one year	8	(220,000)		-	
Accruals and deferred income	9	(1,124,915)		(521,810)	
		<u>335,992</u>		<u>413,281</u>	
Capital and reserves					
Other reserves	10	501,000		501,000	
Profit and loss account	10	(165,008)		(87,719)	
Shareholders' funds - equity interests	11	<u>335,992</u>		<u>413,281</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.

The financial statements were approved by the Board on 1 May 2001


G J Walker
Director

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The directors have prepared forecasts which indicate that the company has sufficient funding in place to complete the development, and on this basis the accounts have been prepared on a going concern basis.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings - Freehold	No amortisation
Fixtures, fittings & equipment	15% on written down value

There is no amortisation charged on land and building as the development is still under construction.

1.3 Investments

Current asset investment is stated at cost.

1.4 Capital grants

Capital grants received in respect of the property development are credited to deferred revenue and will be released to the profit and loss account on the eventual disposal of the property.

1.5 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

1.6 Development reserve

The sum received as a Development Reserve will be released to the profit and loss account on the eventual disposal of the property.

2 Operating loss

	2000	1999
	£	£
Operating loss is stated after charging:		
Depreciation of tangible assets	31	36
Auditors' remuneration	5,000	2,000
	<u> </u>	<u> </u>

3 Taxation

There is no tax charge for the year as a result of the losses available.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 April 1999	368,411	244	368,655
Additions	1,772,916	-	1,772,916
At 31 March 2000	2,141,327	244	2,141,571
Depreciation			
At 1 April 1999	-	36	36
Charge for the year	-	31	31
At 31 March 2000	-	67	67
Net book value			
At 31 March 2000	2,141,327	177	2,141,504
At 31 March 1999	368,411	208	368,619

In the opinion of the directors, the market value of the freehold land and buildings at 31st March 2000 was at least net book value.

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

5 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 April 1999	-
Additions	100
At 31 March 2000	100

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
RSA Developments Limited	England	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
RSA Developments Limited	100	-

6 Debtors	2000 £	1999 £
Other debtors	160,046	11,722
 7 Creditors: amounts falling due within one year	 2000 £	 1999 £
Trade creditors	657,922	13,710
Other creditors	9,906	8,448
	667,828	22,158

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

8 Creditors: amounts falling due after more than one year	2000	1999
	£	£
Bank loans	220,000	-
	<u>220,000</u>	<u>-</u>
Analysis of loans		
Wholly repayable within five years	220,000	-
	<u>220,000</u>	<u>-</u>
Loan maturity analysis		
In more than two years but not more than five years	220,000	-
	<u>220,000</u>	<u>-</u>

At the balance sheet date, the company had drawn down £220,000 out of a loan facility of £850,000 given by Allied Irish Bank (GB). Under the terms of the facility, no capital repayments are due for a period of two years following the initial drawdown. Thereafter, the balance outstanding is converted into a five year term loan, with any property/development sales applied in repayment of the facility.

The company have given the bank a mortgage over the former factory site, and a debenture over all the assets of the company, by way of security.

9 Accruals and deferred income

	Capital grants
	£
Balance at 1 April 1999	521,810
Grants received during the year	603,105
	<u>1,124,915</u>
Balance at 31 March 2000	<u>1,124,915</u>

10 Statement of movements on reserves

	Development reserves	Profit and loss account
	£	£
Balance at 1 April 1999	501,000	(87,719)
Retained loss for the year	-	(77,289)
	<u>501,000</u>	<u>(165,008)</u>
Balance at 31 March 2000	<u>501,000</u>	<u>(165,008)</u>

RSA ISLAND VILLAGE LIMITED
A COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

11 Reconciliation of movements in shareholders' funds	2000	1999
	£	£
Loss for the financial year	(77,289)	(55,737)
Opening shareholders' funds	413,281	469,018
Closing shareholders' funds	335,992	413,281

12 Contingent liabilities

There are no contingent liabilities to the knowledge of the directors

13 Control

The company has four members who each have equal voting rights. There is, therefore, no ultimate controlling party of the company.

14 Post balance sheet events

In February 2001, the company's bankers, Allied Irish Bank (GB), extended the facilities offered to the company as referred to in Note 8. These stood at £850,000 at the balance sheet date, and increased to £1,300,000 in February 2001. All other terms and conditions remained the same.