

**REGISTRAR OF
COMPANIES**

3484809

Crestform Limited

Report and Financial Statements

Year Ended

31 March 2003



BDO

BDO Stoy Hayward
Chartered Accountants

CRESTFORM LIMITED

Report and financial statements for the year ended 31 March 2003

Contents

Directors

Page:

1	Report of the directors
3	Report of the independent auditors
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

R Gubbay
T Kremer

Secretary and registered office

P Gubbay, Lyntonia House, 7 Praed Street, London, W2 1NJ.

Company number

3484809

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

CRESTFORM LIMITED

Report of the directors for the year ended 31 March 2003

The directors present their report together with the audited financial statements for the year ended 31 March 2003.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors paid an interim dividend on the ordinary share capital of £500,000 (2002 - £300,000) and do not recommend the payment of a final dividend.

Principal activities, trading review and future developments

The principal activity of the company is that of property management agents and no change in activity is envisaged in the ensuing year.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	2003	2002
R Gubbay	-	-
T Kremer	-	-

The interests of the directors in the share capital of the parent company, Prime Commercial Properties Plc, are shown in the financial statements of that company.

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 year. 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; and
- 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.

CRESTFORM LIMITED

Report of the directors for the year ended 31 March 2003 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

P Gubbay



Secretary

Date

28th August 2003

CRESTFORM LIMITED

Report of the independent auditors

To the shareholders of Crestform Limited

We have audited the financial statements of Crestform Limited for the year ended 31 March 2003 on pages 5 to 12 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

CRESTFORM LIMITED

Report of the independent auditors

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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

By .

BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
London

28 August 2003

CRESTFORM LIMITED**Profit and loss account for the year ended 31 March 2003**

	Note	2003 £	2002 £
Turnover	2	2,885,775	1,867,519
Administrative expenses		2,080,458	758,087
Operating profit	5	805,317	1,109,432
Interest receivable		12,222	13,057
Profit on ordinary activities before taxation		817,539	1,122,489
Taxation on profit from ordinary activities	6	266,195	323,152
Profit on ordinary activities after taxation		551,344	799,337
Dividends - equity		(500,000)	(300,000)
Retained profit for the year	13	51,344	499,337

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 7 to 12 form part of these financial statements.

CRESTFORM LIMITED**Balance sheet at 31 March 2003**

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	8		125,799		110,721
Current assets					
Debtors	9	249,951		382,356	
Cash at bank and in hand		1,077,186		980,013	
		<u>1,327,137</u>		<u>1,362,369</u>	
Creditors: amounts falling due within one year	10	<u>653,409</u>		<u>722,640</u>	
Net current assets			<u>673,728</u>		<u>639,729</u>
Total assets less current liabilities			<u>799,527</u>		<u>750,450</u>
Provision for liabilities and charges	11		-		2,267
			<u>799,527</u>		<u>748,183</u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		<u>799,525</u>		<u>748,181</u>
Shareholders' funds	14		<u>799,527</u>		<u>748,183</u>

All shareholders' funds are equity.

The financial statements were approved by the Board on *28 August 2003*.



R Gubbay

Director

The notes on pages 7 to 12 form part of these financial statements.

CRESTFORM LIMITED

Notes forming part of the financial statements for the year ended 31 March 2003

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

Turnover represents fees receivable.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated at the following rate:

Fixtures and fittings - 25% on cost

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the term of the lease.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Employees

	2003 £	2002 £
Staff costs consist of:		
Wages and salaries	626,677	490,686
Social security costs	65,952	51,184
	692,629	541,870

The average number of employees during the year were 11 (2002 – 10).

CRESTFORM LIMITED

Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)

4 Directors

The directors received aggregate emoluments of £265,167 (2002 - £194,137) during the year. The emoluments of the highest paid director was £221,670.

5 Operating profit

	2003 £	2002 £
This is arrived at after charging:		
Depreciation	66,940	53,022
Auditors' remuneration	4,000	4,900
Operating lease rentals in respect of land and buildings	66,000	27,000
	<u> </u>	<u> </u>

6 Taxation on profit from ordinary activities

	2003 £	2002 £
(i) Analysis of tax charge in period		
Current tax:		
UK corporation tax	252,632	323,240
Adjustments in respect of previous periods	18,661	-
	<u> </u>	<u> </u>
Total current tax	271,293	323,240
Deferred tax:		
Origination and reversal of timing differences	(5,098)	(88)
	<u> </u>	<u> </u>
	266,195	323,152
	<u> </u>	<u> </u>

(ii) Factors effecting the tax charge for the period:

Profit on ordinary activities multiplied by standard rate of UK corporation tax of 30%	245,262	336,747
Expenses not deductible for tax purposes	812	314
Depreciation for year in excess of capital allowances	6,558	(1,734)
Utilisation of group tax losses	-	(12,086)
Adjustment to tax charge in respect of previous periods	18,661	-
	<u> </u>	<u> </u>
Current tax charge for period	271,293	323,240
	<u> </u>	<u> </u>

CRESTFORM LIMITED

Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)

7 Dividends

	2003 £	2002 £
Equity shares:		
Interim on ordinary shares at £250,000 per share (2002 - £150,000)	500,000	300,000

8 Tangible assets

	Fixtures and fittings £
<i>Cost</i>	
At 1 April 2002	212,089
Additions	82,018
At 31 March 2003	294,107
<i>Depreciation</i>	
At 1 April 2002	101,368
Provided for the year	66,940
At 31 March 2003	168,308
<i>Net book value</i>	
At 31 March 2003	125,799
At 31 March 2002	110,721

CRESTFORM LIMITEDNotes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)**9 Debtors**

	2003 £	2002 £
Trade debtors	222,316	302,955
Other debtors	8,135	9,691
Prepayments and accrued income	19,500	16,500
Amounts due from group undertakings	-	53,210
	<u>249,951</u>	<u>382,356</u>

All amounts shown under debtors fall due for payment within one year.

10 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	10,801	72,718
Other creditors	443,411	295,453
Taxes and social security	26,526	35,106
Corporation tax payable	162,781	319,363
Accruals and deferred income	9,890	-
	<u>653,409</u>	<u>722,640</u>

11 Deferred taxation

	£
At 31 March 2002	2,267
Released for the year	(5,098)
	<u>(2,831)</u>
At 31 March 2003 (included within debtors)	<u>(2,831)</u>

Deferred tax is provided as follows:

	Provided 2003 £	Provided 2002 £
Excess of capital allowances over depreciation	<u>(2,831)</u>	<u>2,267</u>

CRESTFORM LIMITED

Notes forming part of the financial statements for the year ended 31 March 2003 (*Continued*)

12 Share capital

	Authorised		Allotted, called up and fully paid	
	2003	2002	2003	2002
	£	£	£	£
Ordinary shares of £1	100	100	2	2

13 Profit and loss account

	£
At 31 March 2002	748,181
Profit for the year	51,344
At 31 March 2003	799,525

14 Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
Profit for the year	551,344	799,337
Dividends	(500,000)	(300,000)
Additions to shareholders' funds	51,344	499,337
Opening shareholders' funds	748,183	248,846
Closing shareholders' funds	799,527	748,183

15 Ultimate parent company

At 31 March 2003, the company's ultimate parent company was Prime Commercial Properties Plc.

Copies of the financial statements of Prime Commercial Properties Plc, are available from Companies House.

CRESTFORM LIMITED

Notes forming part of the financial statements for the year ended 31 March 2003 (Continued)

16 Financial commitments

At 31 March 2003, the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2003 £	Land and buildings 2002 £
Operating leases which expire:		
Over five years	66,000	27,000

17 Related party transactions

The company is controlled by Prime Commercial Properties Plc, of which Mr R Gubbay is a director.

The company paid rent of £66,000 to Moveglade Limited, a company controlled by the Gubbay Family, and of which Mr R Gubbay is a director.

The company acts as a property management agent for a number of trusts of which fellow subsidiary undertakings hold a beneficial interest. Transactions with these trusts were as follows:

	2003 £	2002 £
Rent collection fees receivable	478,400	372,694
Service charge fees receivable	289,388	267,729
Other fees	1,099,501	1,168,500
Amounts due to the trusts and included within creditors due within one year	420,417	291,673