

COMPANY NO: 3633307

MOORFIELD (ATLANTIC POINT) LIMITED

ANNUAL REPORT

◆ *Year ended 31 December 2001* ◆



MOORFIELD (ATLANTIC POINT) LIMITED

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MOORFIELD (ATLANTIC POINT) LIMITED

COMPANY INFORMATION

Directors Marc Gilbard
 Graham Stanley
 Pauline Bradley
 Karen Bothwell
 Charles Cade (alternate director to Marc Gilbard)
 Graham Sidwell (alternate director to Graham Stanley)

Secretary Timothy Sanderson

Registered office Premier House
 44-48 Dover Street
 London W1S 4NX

Registered number 3633307

Auditors RSM Robson Rhodes
 Chartered Accountants
 186 City Road
 London EC1V 2NU

Bankers HBOS plc
 38 Threadneedle Street
 London EC2P 2EH

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 2001.

Principal activities

The principal activities of the Group are property investment and development.

Results and dividends

The results for the year ended 31 December 2001 are set out in the consolidated profit and loss account on page 5. The directors do not recommend the payment of a dividend.

Directors

The present directors of the Company are set out on page 1. Changes in directors since the last annual report were as follows:

Graeme Shankland	(Resigned 4 July 2001)
Pauline Bradley	(Appointed 4 July 2001)
Matthew McAdden	(Resigned 31 January 2002)
Graham Sidwell	(Appointed 28 February 2002)
Peter Cummings	(Resigned 10 April 2002)
Karen Bothwell	(Appointed 10 April 2002)

Directors' interests

None of the directors has an interest in the shares of the Company.

Share capital

During the year, the Company issued 163 A ordinary shares and 163 B ordinary shares for £4,112 each, making a total consideration of £1,340,512.

Fixed assets

Certain freehold investment properties were valued by appropriately qualified employees of Moorfield Group Limited at 31 December 2001 on the basis of Open Market Value, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. The valuation of £25,000,000 resulted in a revaluation surplus of £5,711,000.

REPORT OF THE DIRECTORS (Continued)

Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom 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 Group as at the end of the financial year, and the profit or loss of the Group for that year. In preparing these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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.

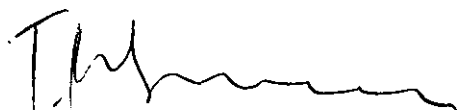
The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Auditors

The auditors, RSM Robson Rhodes, are willing to continue in office, and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

Approval

The report of the directors was approved by the Board on 29 April 2002 and signed on its behalf by:



Timothy Sanderson
Secretary

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS
OF MOORFIELD (ATLANTIC POINT) LIMITED**

We have audited the financial statements on pages 5 to 15.

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 information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Group and Company as at 31 December 2001 and of the Group's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes
Chartered Accountants and Registered Auditors
London, England
29 April 2002

MOORFIELD (ATLANTIC POINT) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Turnover		1,741	515
Gross rental income		1,741	515
Less: property outgoings	2	(664)	(139)
Net rental income		1,077	376
Administrative expenses		(61)	(14)
Operating profit	2	1,016	362
Interest receivable	3	47	-
Interest payable and similar charges	4	(1,208)	(439)
Loss on ordinary activities before taxation		(145)	(77)
Tax on loss on ordinary activities		-	-
Loss on ordinary activities after taxation	11	(145)	(77)

All activities are continuing activities.

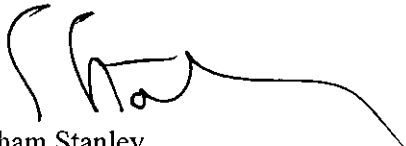
There are no recognised gains and losses other than the results shown above.

The notes on pages 9 to 15 form part of these financial statements.

MOORFIELD (ATLANTIC POINT) LIMITED**CONSOLIDATED BALANCE SHEET
at 31 December 2001**

	Note	2001 £'000	2000 £'000
Fixed assets			
Investment property	5	27,591	19,234
Current assets			
Debtors	7	734	306
Cash at bank and in hand		3,224	819
		3,958	1,125
Creditors: Amounts falling due within one year	8	(5,925)	(2,402)
Net current liabilities		(1,967)	(1,227)
Total assets less current liabilities		25,624	17,957
Creditors: amounts falling due after more than one year	9	(14,645)	(13,884)
Net assets		10,979	4,073
Capital and reserves			
Called up share capital	10	1	1
Share premium account	11	5,492	4,152
Profit and loss account	11	(225)	(80)
Revaluation reserve	11	5,711	-
Equity shareholders' funds	12	10,979	4,073

The financial statements were approved by the Board on 29 April 2002 and signed on its behalf by:


Graham Stanley
Director


Marc Gilbard
Director

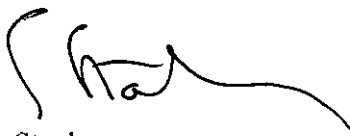
The notes on pages 9 to 15 form part of these financial statements.

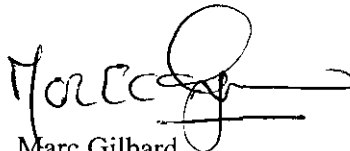
MOORFIELD (ATLANTIC POINT) LIMITED

COMPANY BALANCE SHEET at 31 December 2001

	Note	2001 £'000	2000 £'000
Fixed assets			
Investment property	5	25,000	19,179
Investments	6	-	-
Current assets			
Debtors	7	8,125	4,709
Creditors: Amounts falling due within one year	8	(3,720)	(2,369)
Net current assets		4,405	2,340
Total assets less current liabilities		29,405	21,519
Creditors: amounts falling due after more than one year	9	(18,482)	(17,455)
Net assets		10,923	4,064
Capital and reserves			
Called up share capital	10	1	1
Share premium account	11	5,492	4,152
Profit and loss account	11	(281)	(89)
Revaluation reserve	11	5,711	-
Equity shareholders' funds	12	10,923	4,064

The financial statements were approved by the Board on 29 April 2002 and signed on its behalf by:


Graham Stanley
Director


Marc Gilbard
Director

The notes on pages 9 to 15 form part of these financial statements.

MOORFIELD (ATLANTIC POINT) LIMITED

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Net cash inflow/(outflow) from operating activities	13	2,627	(7,850)
Returns on investments and servicing of finance			
Interest received		47	-
Interest and finance fees paid		(1,171)	(54)
		<u>(1,124)</u>	<u>(54)</u>
Capital expenditure and financial investment			
Additions to investment properties		(2,646)	(9,046)
Financing			
Proceeds from issue of shares		1,340	4,153
Loans advanced		70	11,999
Loan repayments		(108)	-
Increase in loan stock		977	1,140
Repayment of loan stock		(37)	-
Net cash inflow from financing		<u>2,242</u>	<u>17,292</u>
Increase in cash		<u>1,099</u>	<u>342</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of investment properties. The financial statements are prepared in accordance with applicable accounting standards, including SSAP19, which unlike the detailed rules of the Companies Act does not require depreciation of freehold and long leasehold investment properties.

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company has not been separately presented in the financial statements.

The financial statements have been prepared on a consistent basis with prior years.

Investment properties

In accordance with SSAP19 investment properties are included in the balance sheet at an open market value. The surplus or deficit of such value over cost is transferred to the revaluation reserve. Properties are revalued annually by internal professional valuers. Freehold and long leasehold investment properties are not depreciated. Depreciation is only one of many factors reflected in the annual valuation and the amount which otherwise would have been shown cannot be separately identified or quantified. Where there is an impairment in the value of a buildings, a charge is made to the profit and loss account.

Leases

Rentals payable under the operating leases are charged to the profit and loss account on an accrual basis over the term of the lease. The initial advance receipt in relation to the operating lease is treated as part of the rentals receivable and accordingly these receipts are credited to the profit and loss account on a straight line basis over twenty five years and are classified within deferred income.

Capitalisation of interest

Interest on borrowings to finance the construction of properties held as tangible fixed assets is capitalised. Interest is capitalised from the date work starts on the property to the date when substantially all the activities that are necessary to get the property ready for use are complete. Where construction is completed in parts, each part is considered separately when capitalising interest.

Turnover

Turnover, excluding VAT, comprises amounts invoiced for goods and services provided.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred or accelerated, because of timing differences between the treatment of certain items for accounting and taxation purposes.

Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

MOORFIELD (ATLANTIC POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2001

2. OPERATING PROFIT

The operating profit is arrived at after charging:

	2001 £'000	2000 £'000
Audit fees	13	10
Property outgoings	664	139

3. INTEREST RECEIVABLE

	2001 £'000	2000 £'000
Bank deposit interest	47	-

4. INTEREST PAYABLE

	2001 £'000	2000 £'000
Bank loan interest	844	307
Loan stock interest	144	52
Financing fees and other interest	220	80
	1,208	439

5. INVESTMENT PROPERTY

	Group £'000	Company £'000
Cost or valuation		
At 1 January 2001	19,234	19,179
Additions in the year	2,646	110
Revaluation	5,711	5,711
At 31 December 2001	27,591	25,000

MOORFIELD (ATLANTIC POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2001

5. INVESTMENT PROPERTY (Continued)

The above may be analysed as follows:

	Group £'000	Company £'000
2001 valuation	25,000	25,000
Cost	2,591	-
	<u>27,591</u>	<u>25,000</u>

The year end book values are analysed as follows:

	Group £'000	Company £'000
Historical cost	21,880	19,289
Revaluation surplus	5,711	5,711
	<u>27,591</u>	<u>25,000</u>

Freehold and leasehold investment properties were valued by appropriately qualified employees of Moorfield Group Limited at 31 December 2001 on the basis of Open Market Value, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors.

6. INVESTMENTS

Company	2001 £	2000 £
Cost		
Shares in subsidiary undertakings	10	6

Subsidiaries	Interest	Nature of business
Moorfield (Atlantic Point) Management Limited	100%	Property letting & management
Domain Blackweir Terrace Limited	100%	Property development
Dom@in Limited	100%	Property development
Domain Navigation Road Limited	100%	Property development
Dom@in North Road Limited	100%	Property development

During the year, the Company acquired the whole of the share capital of Domain Blackweir Terrace Limited and Domain Navigation Road Limited.

The Company's investment in the above subsidiaries is £2 each, being their entire issued share capital.

MOORFIELD (ATLANTIC POINT) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2001****7. DEBTORS**

	Group 2001 £'000	Group 2000 £'000	Company 2001 £'000	Company 2000 £'000
Trade debtors	330	72	-	-
Amounts due from subsidiary undertakings	-	-	7,833	4,482
Other debtors	404	234	292	227
	<u>734</u>	<u>306</u>	<u>8,125</u>	<u>4,709</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2001 £'000	Group 2000 £'000	Company 2001 £'000	Company 2000 £'000
Bank loans	286	108	286	108
Overdrafts	1,783	477	1,783	477
Trade creditors	100	76	29	74
Amounts owed to related undertakings (note 16)	29	65	2	1
Accruals and deferred income	2,523	1,527	1,541	1,709
Other creditors	1,204	149	79	-
	<u>5,925</u>	<u>2,402</u>	<u>3,720</u>	<u>2,369</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2001 £'000	Group 2000 £'000	Company 2001 £'000	Company 2000 £'000
Bank loans	12,406	12,622	12,406	12,622
Loan stock	2,239	1,262	2,239	1,262
Deferred income	-	-	3,837	3,571
	<u>14,645</u>	<u>13,884</u>	<u>18,482</u>	<u>17,455</u>

The loans are secured by charges on the property held by the Group. The senior loan is repayable by March 2010 and is at a margin of 125 basis points over LIBOR. The loan stock is repayable in March 2010 and is at a margin of 600 basis points over LIBOR. The Group has also entered into an interest rate swap agreement and the notional amount outstanding at 31 December 2001 was £11,122,667 (2000: £11,200,000)

MOORFIELD (ATLANTIC POINT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2001

10. SHARE CAPITAL

	2001 £'000	2000 £'000
Authorised		
1,000,000 ordinary shares of £1 each	1,000	1,000
Allotted and fully paid		
1,436 ordinary shares of £1 each	1	1
Made up of:		
718 A ordinary shares		
718 B ordinary shares		

During the year, the Company issued 163 A ordinary shares and 163 B ordinary shares for £4,112 each. The resulting premium of £1,340,192 was credited to the share premium account.

11. MOVEMENT IN RESERVES

	Group			Company		
	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss account £'000
Group						
At 1 January 2001	4,152	-	(80)	4,152	-	(89)
Issue of shares	1,340	-	-	1,340	-	-
Retained loss for the year	-	-	(145)	-	-	(192)
Property revaluation	-	5,711	-	-	5,711	-
At 31 December 2001	5,492	5,711	(225)	5,492	5,711	(281)

12. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Group 2001 £'000	Group 2000 £'000	Company 2001 £'000	Company 2000 £'000
Retained loss for the year	(145)	(77)	(192)	(86)
Issue of shares	1,340	4,153	1,340	4,153
Property revaluation	5,711	-	5,711	-
Opening shareholders' funds	4,073	(3)	4,064	(3)
Closing shareholders' funds	10,979	4,073	10,923	4,064

MOORFIELD (ATLANTIC POINT) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

Year ended 31 December 2001

13. RECONCILIATION OF OPERATING PROFIT TO CASH INFLOW FROM OPERATING ACTIVITIES

	2001	2000
	£'000	£'000
Operating profit	1,016	362
Working capital movements		
Debtors	(428)	202
Creditors	1,043	(8,646)
Accruals and deferred income	996	232
Net cash inflow/(outflow) from operating activities	2,627	(7,850)

14. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2001	2000
	£'000	£'000
Increase in cash	1,099	342
Cash inflow from increase in debt	(902)	(13,139)
	197	(12,797)
Other movements in net debt		
Accrued interest	(37)	(385)
Capitalised interest	-	(468)
Decrease/(increase) in net debt	160	(13,650)
Net debt at start of the period	(13,650)	-
Net debt at 31 December	(13,490)	(13,650)

MOORFIELD (ATLANTIC POINT) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2001****15. ANALYSIS OF NET DEBT**

	1 January 2001 £'000	Cash flow £'000	Non-cash changes £'000	31 December 2001 £'000
Cash at bank and in hand	819	2,405	-	3,224
Bank overdrafts	(477)	(1,306)	-	(1,783)
Cash	<u>342</u>	<u>1,099</u>	<u>-</u>	<u>1,441</u>
Bank loan due after 1 year	(12,622)	-	216	(12,406)
Loan stock due after one year	(1,262)	(940)	(37)	(2,239)
Bank loan due within 1 year	(108)	38	(216)	(286)
Borrowings	<u>(13,992)</u>	<u>(902)</u>	<u>(37)</u>	<u>(14,931)</u>
Net debt	<u>(13,650)</u>	<u>197</u>	<u>(37)</u>	<u>(13,490)</u>

16. RELATED PARTY TRANSACTIONS

During the year a management fee of £60,045 (2000: £20,000) was charged to the Company by Moorfield Group Limited which has a 50% shareholding in Moorfield (Atlantic Point) Limited.

The aggregate amount due to Moorfield Group Limited at the year end was £27,695 (2000: £65,000) as disclosed in note 8.