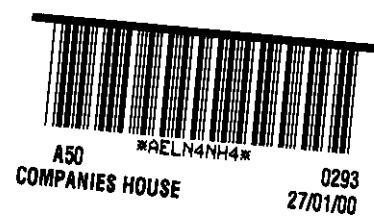


Croydon Properties Limited

Accounts - 31st March 1999
together with directors' and auditors' report

Registered number: 2902133



Directors' report

For the year ended 31st March 1999

The directors present their report on the affairs of the company together with the accounts and auditors' report, for the year ended 31st March 1999.

Principal activity

The principal activity of the company is the purchase and sale of properties.

Results and dividends

The results of the company are set out in the profit and loss account on page 4. The directors expect the general level of activity to continue for the foreseeable future. The directors do not recommend the payment of a dividend (1998: £nil).

Directors and their interests

The directors who served during the year were as follows:

N G Ellis
A R Wyatt
E S Dugdale
R P Hewitt
N S K Shattock

No director held a beneficial interest in the share capital of the Company. Messrs E S Dugdale, N G Ellis, N S K Shattock and A R Wyatt are also directors of the ultimate parent Company and, as such, their interests in the share and loan capital of that company are shown in its director's report.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report (continued)

For the year ended 31st March 1999

Directors' responsibilities (continued)

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 accounts 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.


Payments Policy

In the absence of dispute, amounts due to trade and other suppliers are settled as expeditiously as possible within their terms of payment. There were no trade creditors at the year end.

Auditors

In accordance with section 385 of the Companies Act 1985 a resolution concerning the re-appointment of KPMG Audit Plc as auditors of the Company will be proposed at the forthcoming Annual General Meeting

By order of the Board,



R Worthington
Secretary

58 Davies Street
London
W1Y 1LB

24th May 1999

Auditors' report

For the year ended 31st March 1999

To the shareholders of Croydon Properties Limited:

We have audited the accounts on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on pages 1 and 2, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the Company's state of affairs at 31st March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc

Chartered Accountants and Registered Auditor

8 Salisbury Square
London
EC4Y 8BB

24th May 1999

Profit and loss account

For the year ended 31st March 1999

	Notes	Year ended 31st March 1999 £	Period from 1st January 1997 to 31st March 1998 £
Turnover	1e	2,328,159	4,497,263
Cost of sales		(1,702,209)	(2,888,237)
Gross profit		625,950	1,609,026
Operating expenses		(3,598)	(60,799)
Operating profit		622,352	1,548,227
Interest receivable	2	6,338	18,762
Interest payable and similar charges	3	(201,224)	(467,709)
Profit on ordinary activities before taxation	4	427,466	1,099,280
Tax on profit on ordinary activities	5	-	-
Retained profit for the financial period		427,466	1,099,280

The company had no recognised gains or losses in the year other than those disclosed in the profit and loss account.

The results arise from continuing operations.

A statement of movements on reserves is provided in note 10.

The accompanying notes are an integral part of these statements.

Balance sheet

31st March 1999

	Notes	31st March 1999 £	31st March 1998 £
Current assets			
Stocks		1,601,298	3,244,882
Debtors	6	3,830,682	3,323,845
Cash at bank and in hand		-	361,186
		<u>5,431,980</u>	<u>6,929,913</u>
Creditors: Amounts falling due within one year	7	(151,035)	(366,222)
Net current assets		<u>5,280,945</u>	<u>6,563,691</u>
Creditors: Amounts falling due after more than one year	8	-	(1,710,212)
Net assets		<u>5,280,945</u>	<u>4,853,479</u>
Capital and reserves			
Called-up share capital	9	5,487,584	5,487,584
Profit and loss account	10	(206,639)	(634,105)
Total equity shareholders' funds	11	<u>5,280,945</u>	<u>4,853,479</u>

Signed on behalf of the Board

R.P. Hewitt

N.S.K. Shattock



Director

Director

24th May 1999

The accompanying notes are an integral part of these statements.

Notes to accounts (continued)

For the year ended 31st March 1999

1 Accounting policies

The principal accounting policies, all of which have been applied consistently throughout the year and with the preceding period, are set out below.

a) Basis of accounting

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

b) Stocks

Stocks comprise properties held for resale and are recorded at the lower of cost and net realisable value. Net realisable value is based upon professional valuations carried out on an open market basis by independent firms of valuers.

c) Taxation

Corporation tax payable is provided on taxable profits at the current rate. Amount payable or receivable for group relief related to losses for taxation purposes surrendered between group undertakings and provided for on the basis of consideration agreed between relevant group undertakings.

Deferred taxation is calculated on the liability method. Deferred taxation is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

d) Cost of term loans

Costs incurred directly in connection with obtaining term loans are recognised in the profit and loss account over the term of the loan at a constant rate on the carrying amount. Term loans are reported net of unamortised costs.

e) Turnover

Turnover comprises receipts from sales of trading stock and rental income derived from trading stock. Both are stated net of VAT.

f) Basis of profit recognition

Sales of properties are recognised in the accounts if an independent contract is exchanged by the balance sheet date and the sale is completed before the date of approval of the accounts.

g) Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (Revised), the company has not prepared a cashflow statement because its ultimate parent company, Quintain Estates and Development Plc, which is incorporated in Great Britain, has prepared consolidated accounts which include the accounts of the company for the year and which contain a cashflow statement.

Notes to accounts (continued)

For the year ended 31st March 1999

h) Finance costs

Direct costs incurred in connection with the establishment of debt facilities are not charged to the profit and loss account in the year incurred, they are amortised over the term of the facilities to which they relate. Fixed fees payable under facilities are amortised over the term of those facilities. Costs incurred in the operation of facilities, including professional and bank fees are charged to the profit and loss account in the year incurred. The unamortised finance costs are deducted from the loans to which they relate.

2 Interest receivable

Interest receivable comprises amounts earned on cash balances.

3 Interest payable and similar charges

	Year ended 31st March 1999	Period from 1st January 1997 to 31st March 1998
	£	£
On bank loans and other loans repayable within five years		
- bank loans	172,910	284,089
- intra group loans	-	151,144
Other interest and charges including loan finance costs amortised	28,314	32,476
	<u>201,224</u>	<u>467,709</u>

4 Profit on ordinary activities before taxation

The audit fee for the current and prior periods has been borne by the ultimate parent company.

The company paid no remuneration to directors during the year, and the company had no employees.

5 Tax on profit on ordinary activities

No provision for taxation has been made due to the availability of brought forward losses.

6 Debtors

Amounts falling due within one year:

	31st March 1999	31st March 1998
	£	£
Trade debtors	120,763	121,452
Current accounts with group undertakings	3,709,919	3,201,730
Prepayments	-	663
	<u>3,830,682</u>	<u>3,323,845</u>

Notes to accounts (continued)

For the year ended 31st March 1999

7 Creditors: Amounts falling due within one year

	31st March 1999 £	31st March 1998 £
VAT payable	97,139	-
Current portion of term loan (see note 8 below)	-	148,000
Term loan interest accrued	-	28,236
Other creditors		92,627
Accruals and deferred income	53,896	97,359
	<u>151,035</u>	<u>366,222</u>

8 Creditors: Amounts falling due after more than one year

	31st March 1999 £	31st March 1998 £
Term loan (secured) – repayable by instalments	-	1,738,235
Unamortised costs of finance	-	(28,023)
	<u>-</u>	<u>1,710,212</u>
Analysis of borrowings:		
Amounts payable		
- within 1 year	-	148,000
- between 1 and 2 years	-	1,738,235
	<u>-</u>	<u>1,886,235</u>

9 Called-up share capital

	31st March 1999 £	31st March 1998 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
5,487,484 ordinary shares at £1 each	5,487,484	5,487,484
	<u>5,488,484</u>	<u>5,488,484</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
5,487,484 ordinary shares of £1 each	5,487,484	5,487,484
	<u>5,487,584</u>	<u>5,487,584</u>

Notes to accounts (continued)

For the year ended 31st March 1999

10 Reserves

	Profit and loss account
	£
Beginning of year	(634,105)
Retained profit for the year	<u>427,466</u>
End of year	<u>(206,639)</u>

11 Reconciliation of movements in shareholders' funds

	Year ended 31st March 1999	Period from 1st January 1997 to 31st March 1998
	£	£
Profit for the year	427,466	1,099,280
Increase in share capital	<u>-</u>	<u>5,487,484</u>
Net increase in shareholders' funds	427,466	6,586,764
Opening shareholder's funds	<u>4,853,479</u>	<u>(1,733,285)</u>
Closing shareholder's funds	<u>5,280,945</u>	<u>4,853,479</u>

12 Related party transactions

The company is a wholly owned subsidiary of Quintain Estates and Development Plc and therefore it has taken advantage of the exemption under FRS8 not to provide information on related party transactions with other undertakings within the group.

13 Ultimate parent company

The company is a subsidiary undertaking of Croydon Land (Holdings) Limited, registered in England and Wales.

The Company's ultimate parent company is Quintain Estates and Development Plc. The results of the Company are consolidated in the accounts of Quintain Estates and Development Plc. Group accounts are available on request from 58 Davies Street, London, W1Y 1LB