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**Report of the Director and
Financial Statements for the Year Ended 30 April 2000
for
Columbia House Properties (No 3) Limited**



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for the Year Ended 30 April 2000**

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Columbia House Properties (No 3) Limited

**Company Information
for the Year Ended 30 April 2000**

DIRECTOR:	R N O'Carroll
SECRETARY:	Columbia Estates Limited
REGISTERED OFFICE:	Oakwood House 414-422 Hackney Road Hackney London E2 7SY
REGISTERED NUMBER:	3203167 (England and Wales)
AUDITORS:	Grunberg & Co Chartered Accountants and Registered Auditors 12/13 Accommodation Road Golders Green London NW11 8ED
BANKERS:	Dunbar Bank plc 9 Sackville Street London W1A 2JP

• **Columbia House Properties (No 3) Limited**

**Report of the Director
for the Year Ended 30 April 2000**

The director presents his report with the financial statements of the company for the year ended 30 April 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of property development and dealing

DIRECTOR

R N O'Carroll was the sole director during the year under review.

The director holding office at 30 April 2000 did not hold any beneficial interest in the issued share capital of the company at 1 May 1999 or 30 April 2000.

STATEMENT OF 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.

AUDITORS

The auditors, Grunberg & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



Columbia Estates Limited - SECRETARY

Dated: 30 September 2000

Columbia House Properties (No 3) Limited

**Report of the Independent Auditors to the Shareholders of
Columbia House Properties (No 3) Limited**

We have audited the financial statements of Columbia House Properties (No 3) Limited for the year ended 30 April 2000 on pages four to twelve. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of director and auditors

As described on page two the company's director is responsible for the preparation of 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 Report of the Director 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 Report of the Director and consider the implications for our report if we become aware of any apparent misstatements within it.

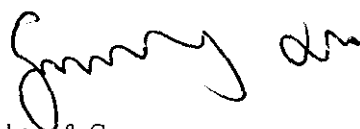
Basis of audit opinion

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 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Grunberg & Co
Chartered Accountants
and Registered Auditors
12/13 Accommodation Road
Golders Green
London NW11 8ED

Dated: 6 October 2000

Columbia House Properties (No 3) Limited

**Profit and Loss Account
for the Year Ended 30 April 2000**

		30.4.00	30.4.99
	Notes	£	£
TURNOVER		6,250,000	5,216,040
Cost of sales		5,527,998	5,043,479
GROSS PROFIT		722,002	172,561
Administrative expenses		111,284	211,349
		610,718	(38,788)
Other operating income		112,192	333,949
OPERATING PROFIT	2	722,910	295,161
Interest payable and similar charges		113,827	557,902
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		609,083	(262,741)
Tax on profit/(loss) on ordinary activities	3	151,781	(30,149)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		457,302	(232,592)
(Deficit)/Retained profit brought forward		(189,367)	43,225
RETAINED PROFIT/(DEFICIT) CARRIED FORWARD		£267,935	£(189,367)

The notes form part of these financial statements

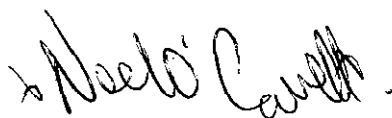
Columbia House Properties (No 3) Limited

Balance Sheet
30 April 2000

		30.4.00		30.4.99	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		103,023		3,864
CURRENT ASSETS:					
Stocks	5	60,000		5,240,851	
Debtors	6	1,342,825		1,370,384	
Cash at bank		18,430		4,472	
		<u>1,421,255</u>		<u>6,615,707</u>	
CREDITORS: Amounts falling due within one year	7	<u>1,181,287</u>		<u>6,808,936</u>	
NET CURRENT ASSETS/(LIABILITIES):			<u>239,968</u>		<u>(193,229)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>342,991</u>		<u>(189,365)</u>
CREDITORS: Amounts falling due after more than one year	8		<u>75,054</u>		<u>-</u>
			<u>£267,937</u>		<u>£(189,365)</u>
CAPITAL AND RESERVES:					
Called up share capital	9		2		2
Profit and loss account			<u>267,935</u>		<u>(189,367)</u>
SHAREHOLDERS' FUNDS:			<u>£267,937</u>		<u>£(189,365)</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 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

ON BEHALF OF THE BOARD:



R N O'Carroll - DIRECTOR

Approved by the Board on 30 September 2000

The notes form part of these financial statements

Columbia House Properties (No 3) Limited

**Cash Flow Statement
for the Year Ended 30 April 2000**

		30.4.00		30.4.99	
	Notes	£	£	£	£
Net cash inflow/(outflow) from operating activities	1		5,730,192		(506,553)
Returns on investments and servicing of finance	2		(113,827)		(557,902)
Taxation			-		235
			<u>5,616,365</u>		<u>(1,064,220)</u>
Financing	2		(5,530,744)		993,335
Increase/(Decrease) in cash in the period			<u>£85,621</u>		<u>£(70,885)</u>
<hr/>					
Reconciliation of net cash flow to movement in net debt	3				
Increase/(Decrease) in cash in the period			85,621		(70,885)
Cash outflow from decrease in debt and lease financing			<u>45,297</u>		<u>-</u>
Change in net debt resulting from cash flows			130,918		(70,885)
New finance leases			<u>(133,500)</u>		<u>-</u>
Movement in net debt in the period			(2,582)		(70,885)
Net (debt)/funds at 1 May			<u>(69,671)</u>		<u>1,214</u>
Net debt at 30 April			<u>£(72,253)</u>		<u>£(69,671)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 April 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	30.4.00 £	30.4.99 £
Operating profit	722,910	295,161
Depreciation charges	34,341	1,296
Decrease in stocks	5,180,851	1,325,841
Decrease/(Increase) in debtors	27,559	(641,809)
Decrease in creditors	(235,469)	(1,487,042)
Net cash inflow/(outflow) from operating activities	<u>5,730,192</u>	<u>(506,553)</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	30.4.00 £	30.4.99 £
Returns on investments and servicing of finance		
Interest paid	(106,818)	(557,902)
Interest element of hire purchase payments	(7,009)	-
Net cash outflow for returns on investments and servicing of finance	<u>(113,827)</u>	<u>(557,902)</u>
Financing		
New loan taken out in year	-	1,300,000
Loan repayments in year	(5,485,448)	(306,665)
HP payments in year	(45,296)	-
Net cash (outflow)/inflow from financing	<u>(5,530,744)</u>	<u>993,335</u>

Notes to the Cash Flow Statement
for the Year Ended 30 April 2000

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.5.99 £	Cash flow £	Other non-cash changes £	At 30.4.00 £
Net cash:				
Cash at bank	4,472	13,958		18,430
Bank overdrafts	(74,143)	71,663		(2,480)
	<u>(69,671)</u>	<u>85,621</u>		<u>15,950</u>
Debt:				
Hire purchase	-	45,297	(133,500)	(88,203)
	<u>-</u>	<u>45,297</u>	<u>(133,500)</u>	<u>(88,203)</u>
Total	<u>(69,671)</u>	<u>130,918</u>	<u>(133,500)</u>	<u>(72,253)</u>
Analysed in Balance Sheet				
Cash at bank	4,472			18,430
Bank overdrafts	(74,143)			(2,480)
Hire purchase				
within one year	-			(13,149)
after one year	-			(75,054)
	<u>(69,671)</u>			<u>(72,253)</u>

Notes to the Financial Statements
for the Year Ended 30 April 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents sales of properties in the year stated net of value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

Property stocks are stated at the lower of cost and net realisable value. Cost includes all items incurred in bringing each property to its present condition and level of completion. Net realisable value is based on the estimated selling price less any anticipated costs to completion and disposal. Freehold reversionary interests are valued at a multiple of six times the annual ground rent receivable.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the director, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. OPERATING PROFIT

The operating profit is stated after charging:

	30.4.00	30.4.99
	£	£
Depreciation - owned assets	966	1,296
Depreciation - assets on hire purchase contracts	33,375	-
Auditors' remuneration	3,500	5,500
	<u> </u>	<u> </u>
Director's emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

Notes to the Financial Statements
for the Year Ended 30 April 2000

3. TAXATION

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	30.4.00	30.4.99
	£	£
UK corporation tax	151,781	-
(Over) / under provision in previous period	-	(30,149)
	<u>151,781</u>	<u>(30,149)</u>

UK corporation tax has been charged at 30%

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings	Motor vehicles	Totals
	£	£	£
COST:			
At 1 May 1999	7,856	-	7,856
Additions	-	133,500	133,500
At 30 April 2000	<u>7,856</u>	<u>133,500</u>	<u>141,356</u>
DEPRECIATION:			
At 1 May 1999	3,992	-	3,992
Charge for year	966	33,375	34,341
At 30 April 2000	<u>4,958</u>	<u>33,375</u>	<u>38,333</u>
NET BOOK VALUE:			
At 30 April 2000	<u>2,898</u>	<u>100,125</u>	<u>103,023</u>
At 30 April 1999	<u>3,864</u>	<u>-</u>	<u>3,864</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles
	£
COST:	
Additions	133,500
At 30 April 2000	<u>133,500</u>
DEPRECIATION:	
Charge for year	33,375
At 30 April 2000	<u>33,375</u>
NET BOOK VALUE:	
At 30 April 2000	<u>100,125</u>

Notes to the Financial Statements
for the Year Ended 30 April 2000

5. STOCKS

	30.4.00	30.4.99
	£	£
Work in progress	60,000	5,240,851

6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	30.4.00	30.4.99
	£	£
Trade debtors	32,154	32,182
Other debtors	718,499	147,398
Prepayments & accrued income	34,597	14,177
Amounts due from fellow subsidiary	-	621,477
Amounts due from related companies	557,575	555,150
	<u>1,342,825</u>	<u>1,370,384</u>

7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	30.4.00	30.4.99
	£	£
Bank loans and overdrafts	2,480	5,559,590
Hire purchase contracts	13,149	-
Trade creditors	36,115	109,145
Other creditors	27,801	124,543
Amounts due to holding company	106,394	132,394
Amounts due to related companies	543,563	647,980
Amounts due to fellow subsidiary	37,088	-
Social security & other taxes	176,742	176,742
Corporation tax	151,781	-
Accrued expenses	86,174	58,542
	<u>1,181,287</u>	<u>6,808,936</u>

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

	30.4.00	30.4.99
	£	£
Hire purchase contracts	<u>75,054</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Hire purchase	<u>34,552</u>	<u>-</u>

Columbia House Properties (No 3) Limited

**Notes to the Financial Statements
for the Year Ended 30 April 2000**

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal	30.4.00	30.4.99
		value:	£	£
1,000	Ordinary	£1	1,000	1,000
			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal	30.4.00	30.4.99
		value:	£	£
2	Ordinary	£1	2	2
			<u> </u>	<u> </u>

10. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Albion Yard (Estates) Limited , a trading company incorporated in England and Wales.

11. RELATED PARTY DISCLOSURES

During the year, sales of properties totalling £4,800,000 were made to a fellow subsidiary.