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Ridgecroft Properties Limited

Report and Financial Statements

Period Ended

30 June 2000



BDO Stoy Hayward
Chartered Accountants



Ridgcroft Properties Limited

Report and financial statements for the period ended 30 June 2000

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Directors

I Smith
H J M Levy
D R Reoch
M M Benady
K D McGrath
M P Sheppard

Secretary and registered office

A M Jacobs, 5 Wigmore Street, London, W1H 9LA

Company number

03898937

Auditors

BDO Stoy Hayward, Prospect Place, 85 Great North Road
Hatfield, Herts, AL9 5BS

Ridgcroft Properties Limited

Report of the directors for the period ended 30 June 2000

The directors present their report together with the audited financial statements for the period ended 30 June 2000.

Results and dividends

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

Principal activities, review of business and future developments

The company was incorporated on 23 December 1999.

The principal activity of the company is property investment.

Directors

The directors of the company during the period were:

I Smith	(appointed - 2 May 2000)
H J M Levy	(appointed - 24 March 2000)
D R Reoch	(appointed - 24 March 2000)
M M Benady	(appointed - 24 March 2000)
K D McGrath	(appointed - 24 March 2000)
M P Sheppard	(appointed - 24 March 2000)
Grovelink Business Services Limited	(appointed - 23 December 1999 - resigned 24 March 2000)

No director had any beneficial interest in the share capital of the company or the parent company.

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 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.

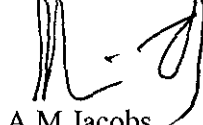
Ridgecroft Properties Limited

Report of the directors for the period ended 30 June 2000 (*Continued*)

Auditors

BDO Stoy Hayward were appointed as initial auditors during the period and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

On behalf of the board



A M Jacobs

~~Director~~ Secretary

26th April 2001

Ridgcroft Properties Limited

Report of the auditors

To the shareholders of Ridgcroft Properties Limited

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 8 to 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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 30 June 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD
Chartered Accountants
and Registered Auditors
Hatfield

26 April 2001

Ridgcroft Properties Limited**Profit and loss account for the 6 months ended 30 June 2000**

	Note	6 months ended 30 June 2000 £
Turnover	2	175,402
Cost of sales		65,415
		<hr/>
Gross profit		109,987
Administrative expenses		17,460
		<hr/>
Operating profit	3	92,527
Interest payable and similar charges	4	(84,768)
		<hr/>
Profit on ordinary activities before and after taxation		7,759
		<hr/>

All amounts relate to continuing activities.

There is no difference between profit reported as above and historic profit. Therefore, no note of historic cost profit has been prepared.

The notes on pages 8 to 13 form part of these financial statements.

Ridgecroft Properties Limited

Statement of total recognised gains and losses for the period ended 30 June 2000

	Note	6 months ended 30 June 2000 £
Profit for the financial period		7,759
Unrealised surplus on revaluation of properties		199,753
Total recognised gains and losses for the financial period		<u>207,512</u>

The notes on pages 8 to 13 form part of these financial statements.

Ridgecroft Properties Limited**Balance sheet at 30 June 2000**

	Note	30 June 2000 £	30 June 2000 £
Fixed assets			
Investment properties	6		8,700,000
Current assets			
Debtors	7	21,296	
Creditors: amounts falling due within one year	8	119,719	
Net current liabilities			(98,423)
Total assets less current liabilities			8,601,577
Creditors: amounts falling due after more than one year	9		8,393,965
			207,612
Capital and reserves			
Called up share capital	10		100
Revaluation reserve	11		199,753
Profit and loss account	11		7,759
Equity shareholders' funds			207,612

The financial statements were approved by the Board on 26th April 2001


Director

IVOR SMITH

The notes on pages 8 to 13 form part of these financial statements.

1 Accounting policies

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

Investment properties

The investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Additions to the value of these properties include only costs of a capital nature and certain refurbishment expenditure. Other costs are treated as revenue expenditure and written off as incurred.

In accordance with SSAP 19 no depreciation or amortisation is provided in respect of freehold and leasehold investment properties except for short leasehold properties with less than 20 years to run which are depreciated over the length of the lease. This treatment is a departure from the Companies Act 1985 concerning depreciation of fixed assets. However, these properties are not held for consumption but investment and therefore the Directors consider that systematic annual depreciation would be inappropriate. Therefore the accounting policy adopted is necessary for the accounts to give a true and fair view. Depreciation or amortisation is only one of the factors reflected in the annual valuation, and the amount which might otherwise be shown cannot be separately identified or quantified.

On the sale of an investment property the profit or loss is defined as the difference between the net sale proceeds and the carrying value. An appropriate transfer is also made from the revaluation reserve to retained earnings.

Investment properties that are no longer deemed to be held for the long term are transferred to trading stock at the lower of cost and net realisable value.

Refurbishment expenditure

Refurbishment expenditure in respect of major works is capitalised. Repairs expenditure is written off to the profit and loss account as incurred.

Recognition of property transactions

The purchase or sale of a property is recognised in the reporting year only when legal completion has occurred prior to the year end.

Ridgecroft Properties Limited

Notes forming part of the financial statements for the 6 months ended 30 June 2000 (*Continued*)

1 Accounting policies (*continued*)

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Pinton Estates plc and the company is included in consolidated financial statements.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

2 Turnover

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

Turnover comprises gross rental income. Cost of sales comprised rent-related costs, and other costs which are not recoverable from tenants.

3 Operating profit

This is arrived at after charging:

	6 months ended 30 June 2000 £
Depreciation of tangible fixed assets	50,000
Auditors' remuneration - audit services	3,000
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No remuneration was paid to the directors during the period, in respect of their services in relation to the company. The company has no employees.

4 Interest payable and similar charges

	6 months ended 30 June 2000 £
Loans from group companies	84,768
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Ridgcroft Properties Limited

Notes forming part of the financial statements for the 6 months ended 30 June 2000 (*Continued*)

5 Taxation on profit on ordinary activities

No corporation tax charge arises in the period due to the availability of capital allowances on the investment properties.

6 Tangible fixed assets

	Freehold investment properties £	Leasehold land and buildings £	Total £
<i>Valuation</i>			
Additions	4,840,226	3,710,021	8,550,247
Revaluations	84,774	114,979	199,753
	<hr/>	<hr/>	<hr/>
At 30 June 2000	4,925,000	3,825,000	8,750,000
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
Provided for the period	-	50,000	50,000
	<hr/>	<hr/>	<hr/>
At 30 June 2000	-	50,000	50,000
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 30 June 2000	4,925,000	3,775,000	8,700,000
	<hr/>	<hr/>	<hr/>

The net book value of leasehold land and buildings may be further analysed as follows:

	30 June 2000 £
Short leasehold	3,775,000
Freehold	4,925,000
	<hr/>
	8,700,000
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Investment properties were revalued at open market value as at 30 June 2000 by Kevin McGrath, BSc (Est Man) Dip Prop Invest ARICS, a director of the company, having regard to external professional advice.

Ridgecroft Properties Limited

Notes forming part of the financial statements for the 6 months ended 30 June 2000 (Continued)

7 Debtors

30 June
2000
£

Other debtors	21,296
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All amounts shown under debtors fall due for payment within one year.

8 Creditors: amounts falling due within one year

30 June
2000
£

Trade creditors	16,991
Amounts owed to group undertakings	84,768
Accruals and deferred income	17,960

119,719

9 Creditors: amounts falling due after more than one year

30 June
2000
£

Amounts owed to group undertakings	8,393,965
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10 Share capital

	Authorised	Allotted, called up and fully paid
	30 June 2000 £	30 June 2000 £

100 Ordinary shares of £1 each	100	100
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The shares were allotted on incorporation.

Ridgecroft Properties Limited

Notes forming part of the financial statements for the 6 months ended 30 June 2000 (*Continued*)

11 Reserves

	Revaluation reserve £	Profit and loss account £
Revaluation surplus	199,753	-
Profit for the period	-	7,759
	<hr/>	<hr/>
At 30 June 2000	199,753	7,759
	<hr/>	<hr/>

12 Ultimate parent company and related party transactions

Controlling parties

The company is controlled by Pinton Estates plc, whose ultimate controlling entity, in the directors' opinion, is Brompton Holdings Limited (Jersey).

Pinton Estates plc is registered in England & Wales. Brompton Holdings Limited is registered in Jersey. Copies of the financial statements can be obtained from the registered address.

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Pinton Estates plc on the grounds that at least 90% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements.

13 Reconciliation of movements in shareholders' funds

	6 months ended 30 June 2000 £
Profit for the period	7,759
New share capital subscribed	100
Revaluation surplus	199,753
	<hr/>
Net additions to shareholders' funds	207,612
Opening shareholders' funds	-
	<hr/>
Closing shareholders' funds	207,612
	<hr/>

Ridgcroft Properties Limited

Notes forming part of the financial statements for the 6 months ended 30 June 2000 *(Continued)*

14 Contingent liabilities

The tax benefits which have arisen from capital allowances could be withdrawn in the event of the disposal of the total investment portfolio. The contingent liability is approximately £64,127. There is a contingent liability in respect of capital gains tax on future property disposals at current revalued amounts of approximately £39,796.