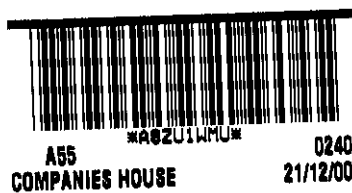


**REDWOOD PROPERTY & TRADING CO LIMITED**

**GROUP FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2000**



**Company No. 01847008**

# **REDWOOD PROPERTY & TRADING CO LIMITED**

## **COMPANY INFORMATION**

**FOR THE YEAR ENDED 30 JUNE 2000**

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<b>Directors</b>	Mr S E Stubbs Mr T D W Glass
<b>Secretary</b>	Mr S E Stubbs
<b>Company number</b>	01847008
<b>Registered office</b>	765 Wandsworth Road London SW8 3JE

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# **REDWOOD PROPERTY & TRADING CO LIMITED**

## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2000**

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# REDWOOD PROPERTY & TRADING CO LIMITED

## REPORT OF THE DIRECTORS

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

### Principal activities

The company and group are principally engaged in the conversion and investment of commercial & residential properties.

### Business review

The directors were satisfied with the results for the year and the year end position.

There was a profit for the year after taxation amounting to £211,247. The directors recommend dividends absorbing £104,010.

The residential market rose strongly before falling back slightly at the end of the year. This enabled us to sell flats at our Clapham Junction development well. The commercial market has been firm and the shops at Clapham Junction have been let well. These two factors account for much of the increase in the revaluation reserve which has strengthened the group balance sheet.

### Directors

The present membership of the Board is set out below. All directors served throughout the year .

The interests of the directors' undertakings as at 30th June 1999 and year end were as follows:

### The Company

	Ordinary shares	
	30 June 2000	1 July 1999
Mr S E Stubbs	45	45
Mr T D W Glass	45	45

### Directors' responsibilities for the financial statements

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 the group and of the profit or loss of the group 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 maintaining proper accounting records, for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# REDWOOD PROPERTY & TRADING CO LIMITED

## REPORT OF THE DIRECTORS

---

### Fixed assets

During the year certain freehold properties were revalued and the revised values incorporated in the financial statements. The surplus of £1,277,878 arising from the revaluations has been transferred to reserves.

The directors are of the opinion that in aggregate the market value of land and buildings assuming the continuance of present use exceeds its book value by approximately £2,981,680.

### Auditors

Messrs P B Hourigan & Co offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Mr S E Stubbs  
Secretary

## REPORT OF THE AUDITORS TO THE MEMBERS OF REDWOOD PROPERTY & TRADING CO LIMITED

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We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on pages 4 to 5.

### **Respective responsibilities of the directors and auditors**

As described on page 1 the 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 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.

### **Qualified opinion arising from limitation in audit scope**

Exept for any adjustments that might have been found to be necessary had an external valuation of the company's properties been performed ,in our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 30 June 2000 and the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
**P B HOURIGAN & Co**  
**REGISTERED AUDITORS &**  
**CHARTERED CERTIFIED ACCOUNTANTS**

Garrards  
Cowfold Road  
West Grinstead  
Sussex RH13 8LY

Date

*15th Dec 2000*

# **REDWOOD PROPERTY & TRADING CO LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention except that:

- (i) Freehold and leasehold properties are shown at their revalued amounts;

The principal accounting policies of the group have remained unchanged from the previous period and are set out below.

### **BASIS OF CONSOLIDATION**

The group financial statements consolidate those of the company and of its subsidiary undertaking drawn up to 30th June 2000. The Profits or losses on intra-group transactions are eliminated in full.

### **JOINT VENTURES**

Projects in which the group holds an interest on a long-term basis, and which are jointly controlled by the group and other parties, are treated as joint ventures. Where arrangements exist with other parties under which the group carries on its own business, the group's own assets, liabilities and cash flows are included in the financial statements of the group and the group company which is party to the arrangement.

The group's share of the profits less losses and other recognised gains and losses of the joint venture is included in the group profit and loss account and statement of total recognised gains and losses, respectively.

The group balance sheet includes the investment in the joint venture at the group's share of net assets.

### **TURNOVER**

Group Turnover is the total amount receivable by the group on development sales and services provided, excluding VAT and trade discounts.

### **DEPRECIATION**

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than investment properties by annual instalments over their expected useful lives. The rates and periods generally applicable are:

Motor vehicles	25% pa
Fixtures and fittings	20% pa

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# **REDWOOD PROPERTY & TRADING CO LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **INVESTMENT PROPERTIES**

In accordance with Statement of Standard Accounting Practice No. 19, certain of the group's properties are held for long-term investment and are included in the balance sheet at their open market values. The surpluses or deficits on annual revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from the statutory accounting principles, which require depreciation to be provided on all fixed assets. The directors consider that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

### **INVESTMENTS**

Investments are included at cost.

### **STOCKS**

Stocks are stated at the lower of cost and net realisable value.

### **DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

### **CONTRIBUTIONS TO PENSION FUNDS**

#### **Defined contribution scheme**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.



# REDWOOD PROPERTY & TRADING CO LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 June 2000

	Note	2000 £	1999 £
<b>Turnover</b>	1	<b>1,822,686</b>	262,358
Cost of sales		<b>(1,530,738)</b>	<b>(61,810)</b>
Gross profit		<b>291,948</b>	200,548
Administrative expenses		<b>(179,013)</b>	(200,250)
Other operating income		<b>386,761</b>	297,751
<b>Operating profit</b>		<b>499,696</b>	298,049
Other interest receivable and similar income		<b>6,638</b>	5,342
Interest payable and similar charges	2	<b>(241,000)</b>	<b>(166,959)</b>
<b>Profit on ordinary activities before taxation</b>	1	<b>265,334</b>	136,432
Tax on profit on ordinary activities	4	<b>(54,087)</b>	<b>(15,244)</b>
<b>Profit for the financial year</b>	16	<b>211,247</b>	121,188
Dividends	6		
Equity		<b>(104,010)</b>	<b>(48,640)</b>
<b>Profit transferred to reserves</b>		<b>107,237</b>	72,548
All amounts relate to existing activities.			

*The accompanying accounting policies and notes form an integral part of these financial statements.*

# REDWOOD PROPERTY & TRADING CO LIMITED

## CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2000

	Note	2000 £	2000 £	1999 £	1999 £
<b>Fixed assets</b>					
Tangible assets	7		6,302,629		3,959,340
			<u>6,302,629</u>		<u>3,959,340</u>
<b>Current assets</b>					
Stock	9	1,393,559		1,205,844	
Debtors	10	193,538		24,498	
Investments	11	7,140		7,140	
Cash at bank and in hand		27,963		37,077	
		<u>1,622,200</u>		<u>1,274,559</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,690,611)</u>		<u>(859,125)</u>	
<b>Net current liabilities</b>			<u>(68,411)</u>		<u>415,434</u>
<b>Total assets less current liabilities</b>			<u>6,234,218</u>		<u>4,374,774</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(2,547,893)</u>		<u>(2,073,565)</u>
			<u>3,686,325</u>		<u>2,301,209</u>
<b>Capital and reserves</b>					
Called up share capital	15		150		150
Revaluation reserve			2,981,680		1,703,801
Profit and loss account			704,495		597,258
<b>Shareholders' funds</b>	16		<u>3,686,325</u>		<u>2,301,209</u>

The financial statements were approved by the Board of Directors on 15th November 2000

Director

Mr S E Stubbs

Mr TDW Glass

The accompanying accounting policies and notes form an integral part of these financial statements.

# REDWOOD PROPERTY & TRADING CO LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2000

	Note	2000 £	2000 £	1999 £	1999 £
<b>Fixed assets</b>					
Tangible assets	7		4,510,812		3,210,102
Investments	8		9,382		9,382
			<u>4,520,194</u>		<u>3,219,484</u>
<b>Current assets</b>					
Stock	9	527,130		698,215	
Debtors	10	33,446		23,564	
Investments	11	7,140		7,140	
Cash at bank and in hand		23,942		32,923	
		<u>591,658</u>		<u>761,842</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(685,601)</u>		<u>(331,145)</u>	
<b>Net current liabilities</b>			<u>(93,943)</u>		<u>430,697</u>
<b>Total assets less current liabilities</b>			<u>4,426,251</u>		<u>3,650,181</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(1,740,156)</u>		<u>(1,714,565)</u>
			<u>2,686,095</u>		<u>1,935,616</u>
<b>Capital and reserves</b>					
Called up share capital	15		150		150
Revaluation reserve			2,309,585		1,539,068
Profit and loss account			376,360		396,398
<b>Shareholders' funds</b>			<u>2,686,095</u>		<u>1,935,616</u>

The financial statements were approved by the Board of Directors on .

Director

Mr S E Stubbs

Mr T D W Glass

The accompanying accounting policies and notes form an integral part of these financial statements.

# REDWOOD PROPERTY & TRADING CO LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 30 JUNE 2000

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### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2000 £	1999 £
Profit for the financial year	211,247	121,188
Unrealised surplus on revaluation of investment properties	1,277,878	523,968
Total recognised gains and losses for the year	<u>1,489,125</u>	<u>645,156</u>

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*The accompanying accounting policies and notes form an integral part of these financial statements.*

# REDWOOD PROPERTY & TRADING CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	2000 £	1999 £
Auditors' remuneration	6,400	6,098
Depreciation and amortisation: Tangible fixed assets, owned	1,596	2,891
Other operating income comprises: Rent receivable in respect of: Net income of rents from land	386,761	297,751

### 2 INTEREST PAYABLE AND SIMILAR CHARGES / NET INTEREST

	2000 £	1999 £
Other interest payable and similar charges	241,000	166,959
	241,000	166,959

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	46,511	38,598
Social security costs	2,361	2,398
Other pension costs	12,633	6,594
	61,505	47,590

# REDWOOD PROPERTY & TRADING CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 30 JUNE 2000

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The average number of employees of the group during the year were as follows:

	<b>2000 Number</b>	<b>1999 Number</b>
Administration	2	-
Management	3	4
	<u>5</u>	<u>4</u>

Remuneration in respect of directors was as follows:

	<b>2000 £</b>	<b>1999 £</b>
Emoluments	8,400	7,140
	<u>8,400</u>	<u>7,140</u>
Excess retirement benefits of directors and past directors	12,633	6,594
	<u>21,033</u>	<u>13,734</u>

#### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	<b>2000 £</b>	<b>1999 £</b>
UK Corporation tax at 20% (1999: 20.7%)	54,087	15,244
	<u>54,087</u>	<u>15,244</u>

#### 5 LOSS FOR THE FINANCIAL YEAR

The parent company has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group profit for the year includes a loss of £20,038 (1999: profit of £23,006) which is dealt with in the financial statements of the company.

# REDWOOD PROPERTY & TRADING CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

### 6 DIVIDENDS

	2000 £	1999 £
Equity dividends:		
Ordinary shares - interim dividends paid	104,010	48,640
	<u>104,010</u>	<u>48,640</u>

### 7 TANGIBLE FIXED ASSETS

Group	Investment properties £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 July 1999	3,951,228	6,905	12,872	3,971,005
Additions	1,201,049	-	-	1,201,049
Surplus on revaluation	1,277,877	-	-	1,277,877
	<u>6,430,154</u>	<u>6,905</u>	<u>12,872</u>	<u>6,449,931</u>
Disposals	(130,155)	(6,905)	-	(137,060)
At 30 June 2000	<u>6,299,999</u>	<u>-</u>	<u>12,872</u>	<u>6,312,871</u>
Depreciation				
At 1 July 1999	-	3,021	8,646	11,667
Charged for the year	-	-	1,596	1,596
	<u>-</u>	<u>3,021</u>	<u>10,242</u>	<u>13,263</u>
Eliminated on disposals	-	(3,021)	-	(3,021)
At 30 June 2000	<u>-</u>	<u>-</u>	<u>10,242</u>	<u>10,242</u>
Net book amount at 30 June 2000	<u>6,299,999</u>	<u>-</u>	<u>2,630</u>	<u>6,302,629</u>
Net book amount at 30 June 1999	<u>3,951,228</u>	<u>3,884</u>	<u>4,226</u>	<u>3,959,338</u>

# REDWOOD PROPERTY & TRADING CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

Company	Investment properties £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 July 1999	3,205,000	6,905	4,545	3,216,450
Additions	634,483	-	-	634,483
Surplus on revaluation	770,517	-	-	770,517
	4,610,000	6,905	4,545	4,621,450
Disposals	(100,000)	(6,905)	-	(106,905)
At 30 June 2000	<b>4,510,000</b>	<b>-</b>	<b>4,545</b>	<b>4,514,545</b>
Depreciation				
At 1 July 1999	-	3,021	3,327	6,348
Charge for the year	-	-	406	406
	-	3,021	3,733	6,754
Eliminated on disposals	-	(3,021)	-	(3,021)
At 30 June 2000	-	-	3,733	3,733
Net book amount at 30 June 2000	<b>4,510,000</b>	<b>-</b>	<b>812</b>	<b>4,510,812</b>
Net book amount at 30 June 1999	3,205,000	3,884	1,218	3,210,102

The Company's investment properties have been stated at market value as determined by the directors ;  
Mr S E Stubbs and Mr TDW Glass Arics,Msc

### 8 FIXED ASSETS INVESTMENTS

Total fixed asset investments comprise:

	2000 £	Group 1999 £	2000 £	Company 1999 £
Investment in subsidiary at cost	-	-	<b>9,382</b>	9,382
	-	-	<b>9,382</b>	9,382



# REDWOOD PROPERTY & TRADING CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

Company	Investment in group under- takings £	Total £
Cost or valuation At 1 July 1999	9,382	9,382
At 30 June 2000	<b>9,382</b>	<b>9,382</b>
Net book amount at 30 June 2000	<b>9,382</b>	<b>9,382</b>
<i>Net book amount at 30 June 1999</i>	<i>9,382</i>	<i>9,382</i>

### 9 STOCKS

	2000 £	Group 1999 £	2000 £	Company 1999 £
Short-term work in progress	<b>1,393,559</b>	<b>1,205,844</b>	<b>527,130</b>	<b>698,215</b>
	<b>1,393,559</b>	<b>1,205,844</b>	<b>527,130</b>	<b>698,215</b>

### 10 DEBTORS

	2000 £	Group 1999 £	2000 £	Company 1999 £
Trade debtors	<b>187,395</b>	-	-	-
Amounts owed by group undertakings	-	-	<b>27,303</b>	-
Other debtors	<b>5,784</b>	<b>24,139</b>	<b>5,784</b>	<b>23,205</b>
Prepayments and accrued income	<b>359</b>	<b>359</b>	<b>359</b>	<b>359</b>
	<b>193,538</b>	<b>24,498</b>	<b>33,446</b>	<b>23,564</b>

# REDWOOD PROPERTY & TRADING CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

### 11 CURRENT ASSET INVESTMENTS

	2000 £	Group 1999 £	2000 £	Company 1999 £
Unlisted shares at cost	7,140	7,140	7,140	7,140
	<u>7,140</u>	<u>7,140</u>	<u>7,140</u>	<u>7,140</u>

### 12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	Group 1999 £	2000 £	Company 1999 £
Bank loans and overdrafts	1,255,846	626,886	339,697	87,569
Trade creditors	36,468	50,355	5,001	62,855
Amounts owed to group undertakings	-	-	-	20,362
Corporation tax	54,087	6,324	21,980	3,822
Social security and other taxes	35,096	21,301	34,459	21,300
Other creditors	133,062	122,468	117,518	109,192
Loans from directors	150,714	7,431	150,328	7,045
Accruals	25,338	24,360	16,618	19,000
	<u>1,690,611</u>	<u>859,125</u>	<u>685,601</u>	<u>331,145</u>

### 13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	Group 1999 £	2000 £	Company 1999 £
Bank loans and overdrafts	772,488	978,809	765,751	619,809
Amounts owed to joint ventures	(1,775,405)	(1,094,756)	(974,405)	(1,094,756)
	<u>2,547,893</u>	<u>2,073,565</u>	<u>1,740,156</u>	<u>1,714,565</u>

Bank loans and overdraft

The bank loans and overdrafts are secured by a fixed and floating charge over the assets of the group.

# REDWOOD PROPERTY & TRADING CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

### 14 BORROWINGS

Borrowings are repayable as follows:

	2000 £	Group 1999 £
Within one year		
Bank and other borrowings	1,406,560	634,317
After five years		
Bank and other borrowings	772,488	978,809
	<u>2,179,048</u>	<u>1,613,126</u>

Bank and other borrowings repayable after five years comprise

	2000 £	Group 1999 £	2000 £	Company 1999 £
Bank loans and overdrafts	772,488	978,809	765,751	619,809
	<u>772,488</u>	<u>978,809</u>	<u>765,751</u>	<u>619,809</u>

### 15 SHARE CAPITAL

	2000 £	1999 £
Authorised		
10,000 £1 Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
150 £1 Ordinary shares of £1 each	150	150
	<u>150</u>	<u>150</u>

# REDWOOD PROPERTY & TRADING CO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000

### 16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	211,247	121,188
Dividends	(104,010)	(48,640)
	<u>107,237</u>	<u>72,548</u>
Other recognised gains and losses	1,277,878	523,968
	<u>1,385,115</u>	<u>596,516</u>
Net increase in shareholders' funds	2,301,210	1,704,693
Shareholders' funds at 1 July 1999		
	<u>3,686,325</u>	<u>2,301,209</u>
Shareholders' funds at 30 June 2000		

### 17 NET CASH INFLOW/OUTFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	499,696	298,049
Depreciation	1,596	2,891
Profit on sale of tangible fixed assets	(22,458)	(253)
Increase in stocks	(187,715)	(1,205,844)
Increase in debtors	(169,040)	(24,498)
Increase in creditors	154,763	225,915
	<u>276,842</u>	<u>(703,740)</u>
Net cash inflow from continuing operating activities		

### 18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2000 £	1999 £
Decrease in cash in the year	(638,074)	(589,809)
Cash outflow from financing in the year	206,321	(978,809)
Cash outflow from increase in liquid resources	-	7,140
	<u>(431,753)</u>	<u>(1,561,478)</u>
Change in net debt resulting from cashflows		
Movement in net debt in the year	(431,753)	(1,561,478)
Net debt at 1 July 1999	(1,561,478)	-
	<u>(1,993,231)</u>	<u>(1,561,478)</u>
Net debt at 30 June 2000		