

OPECPRIME PROPERTIES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
30 JUNE 1999

MICHAEL MOOR
Chartered Accountant & Registered Auditor
190 Clonkeen Road,
Blackrock,
Co. Dublin.



OPECPRIME PROPERTIES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

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OPECPRIME PROPERTIES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

The board of directors	Luke Comer Brian Comer Thomas Donnellan
Company secretary	Grosvenor Financial Nominees Ltd.
Registered office	277 Green Lanes London N13 4XS N12 0DA
Auditor	Michael Moor Chartered Accountant & Registered Auditor 190 Clonkeen Road, Blackrock, Co. Dublin.
Bankers	Bank of Ireland 727 High Road, Finchley, London. N12 0BJ
Solicitors	Jonathan S. Rose 693 High Road, Finchley, London. N12 0DA

OPECPRIME PROPERTIES LIMITED
AUDITOR'S REPORT TO THE COMPANY
PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

I have examined the abbreviated accounts on pages 6 to 14, together with the financial statements of the company for the year ended 30 June 1999 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

I have carried out the procedures I consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of my work for the purpose of this report did not include examining or dealing with events after the date of my report on the financial statements.

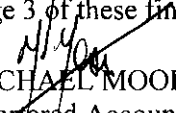
OPINION

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act, and the abbreviated accounts on pages 6 to 14 are properly prepared in accordance with those provisions.

OTHER INFORMATION

On 23 June 2000 I reported, as auditors of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 30 June 1999, and the full text of my audit report is reproduced on page 3 of these financial statements.

190 Clonkeen Road,
Blackrock,
Co. Dublin.


MICHAEL MOOR
Chartered Accountant
& Registered Auditor

23 June 2000

OPECPRIME PROPERTIES LIMITED
AUDITOR'S REPORT TO THE SHAREHOLDERS
YEAR ENDED 30 JUNE 1999

I have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

BASIS OF OPINION


I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1999 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

190 Clonkeen Road,
Blackrock,
Co. Dublin.


MICHAEL MOOR
Chartered Accountant
& Registered Auditor

23 June 2000

OPECPRIME PROPERTIES LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 30 JUNE 1999

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 1999.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was property dealing.

The company completed the purchase of a property in Greenford and continues to hold its portfolio of properties and ground rental interests. The Directors are actively considering the acquisition of new properties by the company.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 June 1999	At 1 July 1998
Luke Comer	450	450
Brian Comer	330	330
Thomas Donnellan	220	220
	<u> </u>	<u> </u>

DIRECTORS' RESPONSIBILITIES

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

OPECPRIME PROPERTIES LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 1999

AUDITOR

A resolution to re-appoint Michael Moor as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
277 Green Lanes
London N13 4XS
N12 0DA

Signed by order of the directors


GROSVENOR FINANCIAL NOMINEES LTD.
Company Secretary

Approved by the directors on 23 June 2000

OPECPRIME PROPERTIES LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 1999

	Note	1999 £	1998 £
GROSS PROFIT		1,385,496	714,200
Distribution Costs		-	(214,009)
Administrative expenses		(292,205)	(217,971)
OPERATING PROFIT	2	1,093,291	282,220
Interest receivable		3,104	2,611
Interest payable and similar charges	5	(29,893)	(130,255)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,066,502	154,576
Tax on profit on ordinary activities	6	(319,010)	(64,546)
RETAINED PROFIT FOR THE FINANCIAL YEAR		747,492	90,030
Balance brought forward		1,681,618	1,591,588
Balance carried forward		<u>2,429,110</u>	<u>1,681,618</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

OPECPRIME PROPERTIES LIMITED
ABBREVIATED BALANCE SHEET
30 JUNE 1999

	Note	1999		1998
		£	£	£
FIXED ASSETS				
Tangible assets	7		284	2,284
CURRENT ASSETS				
Stocks	8	2,379,935		885,000
Debtors	9	6,482,413		5,846,981
Cash at bank		208,212		240,898
		<u>9,070,560</u>		<u>6,972,879</u>
CREDITORS: Amounts falling due within one year	10	<u>(6,440,734)</u>		<u>(5,092,545)</u>
NET CURRENT ASSETS			<u>2,629,826</u>	<u>1,880,334</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,630,110	1,882,618
CREDITORS: Amounts falling due after more than one year	11		<u>(200,000)</u>	<u>(200,000)</u>
			<u>2,430,110</u>	<u>1,682,618</u>
CAPITAL AND RESERVES				
Called-up equity share capital	14		1,000	1,000
Profit and loss account			<u>2,429,110</u>	<u>1,681,618</u>
SHAREHOLDERS' FUNDS	15		<u>2,430,110</u>	<u>1,682,618</u>

These accounts have been prepared in accordance with the special provisions for medium-sized companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 23 June 2000 and are signed on their behalf by:

LUKE COMER

BRIAN COMER




OPECPRIME PROPERTIES LIMITED
CASH FLOW STATEMENT
YEAR ENDED 30 JUNE 1999

	1999		1998	
	£	£	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(835,809)		2,785,027
Interest received	3,104		2,611	
Interest paid	(29,893)		(130,255)	
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(26,789)		(127,644)
TAXATION		(450,000)		(97,740)
CASH (OUTFLOW)/INFLOW BEFORE FINANCING		(1,312,598)		2,559,643
FINANCING				
Repayment of bank loans	-		(2,336,542)	
Net inflow from other long-term creditors	-		200,000	
NET CASH OUTFLOW FROM FINANCING		-		(2,136,542)
(DECREASE)/INCREASE IN CASH		(1,312,598)		423,101
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES				
		1999		1998
		£		£
Operating profit		1,093,291		282,220
Depreciation		2,000		1,142
(Increase)/Decrease in stocks		(1,494,935)		628,344
Increase in debtors		(635,432)		(1,144,909)
Increase in creditors		199,267		3,018,230
Net cash (outflow)/inflow from operating activities		(835,809)		2,785,027

OPECPRIME PROPERTIES LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30 JUNE 1999

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1999		1998	
	£	£	£	£
(Decrease)/Increase in cash in the period	(1,312,598)		423,101	
Net cash outflow from bank loans	-		2,336,542	
Net cash inflow from other long-term creditors	-		<u>(200,000)</u>	
		<u>(1,312,598)</u>		<u>2,559,643</u>
Change in net debt		<u>(1,312,598)</u>		<u>2,559,643</u>
Net debt at 1 July 1998		<u>(124,107)</u>		<u>(2,683,750)</u>
Net debt at 30 June 1999		<u><u>(1,436,705)</u></u>		<u><u>(124,107)</u></u>

ANALYSIS OF CHANGES IN NET DEBT

	At 1 Jul 1998	Cash flows	At 30 Jun 1999
	£	£	£
Net cash:			
Cash in hand and at bank	240,898	(32,686)	208,212
Overdrafts	<u>(165,005)</u>	<u>(1,279,912)</u>	<u>(1,444,917)</u>
	<u>75,893</u>	<u>(1,312,598)</u>	<u>(1,236,705)</u>
Debt:			
Debt due after 1 year	<u>(200,000)</u>	-	<u>(200,000)</u>
Net debt	<u><u>(124,107)</u></u>	<u><u>(1,312,598)</u></u>	<u><u>(1,436,705)</u></u>

OPECPRIME PROPERTIES LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

1. ACCOUNTING POLICIES**Basis of accounting**

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

Turnover

Turnover represents sales of properties or interests in properties to outside parties. Sales are recognised on completion of contracts.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	-	20% reducing balance
Equipment	-	15% reducing balance

Stocks

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

Cost represents the total purchase costs and other ancilliary professional fees but does not include any interest payable. Net realisable value is the amount at which properties can be sold in the normal course of business after allowing for the costs of realisation.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

2. OPERATING PROFIT

Operating profit is stated after charging:

	1999	1998
	£	£
Depreciation	2,000	1,142
Auditor's remuneration		
- as auditor	3,000	3,000
- accountancy	<u>4,500</u>	<u>4,500</u>

OPECPRIME PROPERTIES LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	1999	1998
	No.	No.
Number of management staff	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were:

	1999	1998
	£	£
Wages and salaries	161,982	90,000
Social security costs	<u>17,877</u>	<u>8,909</u>
	<u>179,859</u>	<u>98,909</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	1999	1998
	£	£
Emoluments receivable	<u>161,982</u>	<u>90,000</u>

The number of directors who are accruing benefits under company pension schemes were as follows:

	1999	1998
	No.	No.
Money purchase schemes	<u>3</u>	<u>3</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1999	1998
	£	£
Interest payable on bank borrowing	11,893	30,055
Other similar charges payable	<u>18,000</u>	<u>100,200</u>
	<u>29,893</u>	<u>130,255</u>

OPECPRIME PROPERTIES LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
In respect of the year:		
Corporation tax based on the results for the year at 31% (1998 - 31%)	291,000	45,200
Adjustment in respect of previous years:		
Corporation tax	28,010	19,346
	<u>319,010</u>	<u>64,546</u>

7. TANGIBLE FIXED ASSETS

	<i>Motor Vehicles</i> £	<i>Equipment</i> £	Total £
COST			
At 1 July 1998 and 30 June 1999	<u>6,600</u>	<u>8,011</u>	<u>14,611</u>
DEPRECIATION			
At 1 July 1998	5,561	6,766	12,327
Charge for the year	<u>1,000</u>	<u>1,000</u>	<u>2,000</u>
At 30 June 1999	<u>6,561</u>	<u>7,766</u>	<u>14,327</u>
NET BOOK VALUE			
At 30 June 1999	<u>39</u>	<u>245</u>	<u>284</u>
At 30 June 1998	<u>1,039</u>	<u>1,245</u>	<u>2,284</u>

8. STOCKS

	1999 £	1998 £
Stock	<u>2,379,935</u>	<u>885,000</u>

The company's stock of property is included in the accounts in accordance with the accounting policy detailed in Note 1. One of the company's properties was valued on an open market basis on 4th May 1994 by Kelmsley Whiteley & Ferris, Surveyors and valuers, 1 London Wall Buildings, London EC2M 5RJ at £300,000 and is included at that valuation. The remaining properties are included at cost.

OPECPRIME PROPERTIES LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

9. DEBTORS

	1999	1998
	£	£
Trade debtors	-	37,232
VAT recoverable	185,127	45,816
Other debtors	6,297,286	5,763,736
Directors current accounts	-	197
	<u>6,482,413</u>	<u>5,846,981</u>

10. CREDITORS: Amounts falling due within one year

	1999	1998
	£	£
Bank loans and overdrafts	1,444,917	165,005
Trade creditors	1,533	-
Corporation tax	415,710	546,700
Other taxation and social security	94,815	94,468
Other creditors	4,409,459	4,186,471
Accruals and deferred income	74,300	99,901
	<u>6,440,734</u>	<u>5,092,545</u>

The company's liability to Bank of Ireland, Finchley, are secured by a letter of guarantee given by Brookstream Properties Ltd. up to £2,475,000 and by a charge on that company's property. It is further secured by guarantees given by two of the directors up to £1,000,000.

11. CREDITORS: Amounts falling due after more than one year

	1999	1998
	£	£
Other creditors:		
Other creditors	<u>200,000</u>	<u>200,000</u>

OPECPRIME PROPERTIES LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1999

12. DIRECTORS' CURRENT ACCOUNTS

Movements in the Directors accounts during the year:

	£
Balance at 30 June 1998	(197)
Funds introduced	325
Balance at 30 June 1999	<u>128</u>

13. CONTINGENCIES

The company has guaranteed the indebtedness of Opecprime Development Ltd. to Bank of Ireland, Finchley, which amounted to £473,113 at the year end.

14. SHARE CAPITAL**Authorised share capital:**

	1999	1998
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	1999	1998
	£	£
Ordinary share capital	<u>1,000</u>	<u>1,000</u>

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Profit for the financial year	747,492	90,030
Opening shareholders' equity funds	<u>1,682,618</u>	<u>1,592,588</u>
Closing shareholders' equity funds	<u>2,430,110</u>	<u>1,682,618</u>