

COMPANY REGISTRATION NUMBER 50675

**R GAUNT & SONS (HOLDINGS) LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended**

**31 March 2005**

**HORWATH CLARK WHITEHILL (YORKSHIRE) LLP**

Chartered Accountants & Registered Auditors

Pelican House  
10 Currer Street  
Bradford  
BD1 5BA



# **R GAUNT & SONS (HOLDINGS) LIMITED**

## **FINANCIAL STATEMENTS**

**Year ended 31 March 2005**

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**R GAUNT & SONS (HOLDINGS) LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**Executive Directors**

J C Bostock (Chairman)  
J L Hellowell

**Non-executive Directors**

D G Chamberlain  
A R Reed

**Company Secretary**

J L Hellowell

**Registered Office**

52 Springfield Commercial Centre  
Bagley Lane  
Farsley  
Leeds  
LS28 5LY

**Auditors**

Horwath Clark Whitehill (Yorkshire) LLP  
Chartered Accountants  
& Registered Auditors  
Pelican House  
10 Currer Street  
Bradford  
BD1 5BA

**Bankers**

Barclays Bank plc  
North East & Yorkshire Large Business Team  
PO Box 190  
2nd Floor  
1 Park Row  
Leeds  
LS1 5WU

**Solicitors**

Gordons  
Riverside West  
Whitehall Road  
Leeds  
LS1 4AW

# **R GAUNT & SONS (HOLDINGS) LIMITED**

## **CHAIRMAN'S STATEMENT**

**Year ended 31 March 2005**

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Our trading result was satisfactory and in line with the Board's expectations.

In the second half of the year the Company bought back some 22% of its ordinary shares for £854,447, and paid a Special Dividend to the remaining shareholders of £211,012.

Dividends paid and proposed and shareholders' funds reflect the achievement of the Company in owning and managing property.

We continue to trade profitably and, working with our advisors, plan for the regeneration of Springfield.

  
John C Bostock

Chairman

22 July 2005

# R GAUNT & SONS (HOLDINGS) LIMITED

## DIRECTORS' REPORT

Year ended 31 March 2005

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The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2005.

### Principal activities and review of the business

The principal activity of the company was that of property investment and management, trading as Gaunt-Let-Properties.

The company's balance sheet as detailed on page 10 shows a satisfactory position, shareholders' funds amounting to £8,439,963.

The business review and the future development of the company are covered in the Chairman's report on page 2.

### The directors and their interests in the 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<br>31 March 2005        | At<br>1 April 2004 |
| J C Bostock     | 15,286                     | 15,286             |
| J L Hellawell   | 12,465                     | 12,465             |
| D G Chamberlain | <u>60,706</u>              | <u>60,706</u>      |

A R Reed was appointed as a director on 1 April 2005.

### Donations

During the year the company made the following contributions:

|            | 2005<br>£    | 2004<br>£  |
|------------|--------------|------------|
| Charitable | <u>4,065</u> | <u>350</u> |

### Purchase of own shares

On 25 August 2004 the company purchased 58,324 Ordinary Shares of £1 each for a consideration of £854,447 representing 21.6% of the issued share capital.

### Auditors

Horwath Clark Whitehill have agreed to offer themselves for re-appointment as auditors of the company.

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# R GAUNT & SONS (HOLDINGS) LIMITED

## DIRECTORS' REPORT *(continued)*

Year ended 31 March 2005

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### Small company provisions

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

Signed by order of the directors

A handwritten signature in black ink, appearing to read 'J/L Hellawell', is written over the printed name and title.

J/L Hellawell  
Company Secretary

22 July 2005

**R GAUNT & SONS (HOLDINGS) LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**Year ended 31 March 2005**

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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 of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

select suitable accounting policies, as described on pages 11 to 12, and then apply them consistently;

make judgements and estimates that are reasonable and prudent; and

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.

**R GAUNT & SONS (HOLDINGS) LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**R GAUNT & SONS (HOLDINGS) LIMITED**

**Year ended 31 March 2005**

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We have audited the financial statements of R Gaunt & Sons (Holdings) Limited for the year ended 31 March 2005 on pages 8 to 22 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 11 to 12.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 5.

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 Directors' Report 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 directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report and the Chairman's statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**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 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.



**R GAUNT & SONS (HOLDINGS) LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**R GAUNT & SONS (HOLDINGS) LIMITED** *(continued)*

**Year ended 31 March 2005**

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**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Horwath Clark Whitehill (Yorkshire) LLP*

Bradford  
22 July 2005

**HORWATH CLARK WHITEHILL (YORKSHIRE) LLP**  
Chartered Accountants  
& Registered Auditors

# R GAUNT & SONS (HOLDINGS) LIMITED

## PROFIT AND LOSS ACCOUNT

Year ended 31 March 2005

|  | Note    | 2005<br>£        | 2004<br>£        |
|--|---------|------------------|------------------|
| <b>Turnover</b>                                      |         | 972,172          | 921,798          |
| Cost of sales  |         | (313,510)        | (319,712)        |
| <b>Gross profit</b>                                  |         | <u>658,662</u>   | <u>602,086</u>   |
| Administrative expenses                              |         | (366,057)        | (460,509)        |
| <b>Operating profit</b>                              | 2       | 292,605          | 141,577          |
| Exceptional profit on disposal of fixed assets       | 4       | —                | 3,835,271        |
|  |         | <u>292,605</u>   | <u>3,976,848</u> |
| Interest receivable and similar income               | 5       | 119,915          | 41,356           |
| Interest payable and similar charges                 | 6       | (9,324)          | (22,006)         |
| <b>Profit on ordinary activities before taxation</b> |         | <u>403,196</u>   | <u>3,996,198</u> |
| Tax on profit on ordinary activities                 | 7       | (24,937)         | (494,949)        |
| <b>Profit on ordinary activities after taxation</b>  |         | <u>378,259</u>   | <u>3,501,249</u> |
| <b>Dividends:</b>                                    |         |                  |                  |
| Special Equity paid                                  | 211,012 | —                | —                |
| Ordinary Equity paid                                 | 42,202  | 37,707           | —                |
| Ordinary Equity proposed                             | 69,634  | 61,947           | —                |
| Non-equity paid                                      | —       | 3                | —                |
|  |         | <u>(322,848)</u> | <u>(99,657)</u>  |
| <b>Retained profit for the financial year</b>        |         | <u>55,411</u>    | <u>3,401,592</u> |

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

The notes on pages 11 to 22 form part of these financial statements.

**R GAUNT & SONS (HOLDINGS) LIMITED**  
**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 March 2005**

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|   | 2005<br>£             | 2004<br>£               |
|---|-----------------------|-------------------------|
| Profit for the financial year<br>attributable to the shareholders | <b>378,259</b>        | 3,501,249               |
| Unrealised profit on revaluation of certain fixed assets          | <b>285,979</b>        | 1,065,015               |
| Total gains and losses recognised since the last annual<br>report | <b><u>664,238</u></b> | <b><u>4,566,264</u></b> |

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**

|  | 2005<br>£             | 2004<br>£               |
|--|-----------------------|-------------------------|
| Reported profit on ordinary activities before taxation                       | <b>403,196</b>        | 3,996,198               |
| Realisation of gains recognised in previous periods                          | <b>—</b>              | 489,701                 |
| Historical cost profit on ordinary activities before<br>taxation             | <b><u>403,196</u></b> | <b><u>4,485,899</u></b> |
| Historical cost profit for the year<br>retained after taxation and dividends | <b><u>55,411</u></b>  | <b><u>3,891,293</u></b> |

The notes on pages 11 to 22 form part of these financial statements.

# R GAUNT & SONS (HOLDINGS) LIMITED

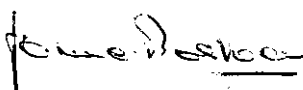
## BALANCE SHEET


31 March 2005

|  | Note | 2005<br>£        | 2004<br>£          |
|--|------|------------------|--------------------|
| <b>Fixed assets</b>  |      |                  |                    |
| Tangible assets  | 8    | 6,294,952        | 5,674,272          |
| Investments  | 9    | -                | -                  |
|  |      | <u>6,294,952</u> | <u>5,674,272</u>   |
| <b>Current assets</b>  |      |                  |                    |
| Debtors due within one year                                    | 10   | 155,509          | 1,643,471          |
| Cash at bank and in hand                                       |      | <u>2,720,955</u> | <u>2,913,064</u>   |
|  |      | 2,876,464        | 4,556,535          |
| <b>Creditors: Amounts falling due within one year</b>          | 11   | <u>(539,302)</u> | <u>(1,006,515)</u> |
| <b>Net current assets</b>                                      |      | <u>2,337,162</u> | <u>3,550,020</u>   |
| <b>Total assets less current liabilities</b>                   |      | <u>8,632,114</u> | <u>9,224,292</u>   |
| <b>Creditors: Amounts falling due after more than one year</b> | 12   | <u>(94,740)</u>  | <u>(121,973)</u>   |
|  |      | <u>8,537,374</u> | <u>9,102,319</u>   |
| <b>Provisions for liabilities and charges</b>                  |      |                  |                    |
| Deferred taxation  | 15   | <u>(97,411)</u>  | <u>(145,024)</u>   |
|  |      | <u>8,439,963</u> | <u>8,957,295</u>   |
| <b>Capital and reserves</b>                                    |      |                  |                    |
| Called-up share capital  | 18   | 211,012          | 269,336            |
| Share premium account  | 19   | 86               | 86                 |
| Revaluation reserve  | 20   | 3,591,554        | 3,305,575          |
| Other reserves   | 21   | 163,988          | 105,664            |
| Profit and loss account  | 22   | <u>4,473,323</u> | <u>5,276,634</u>   |
| <b>Shareholders' funds</b>                                     | 23   | <u>8,439,963</u> | <u>8,957,295</u>   |

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 22 July 2005 and are signed on their behalf by:

  
J C Bostock

  
J L Hellawell

The notes on pages 11 to 22 form part of these financial statements.

# **R GAUNT & SONS (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2005**

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### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

#### **Group accounts**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements present information about R Gaunt & Sons (Holdings) Limited as an individual undertaking and, other than as disclosed in note 9, not about the group.

#### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **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:

|                            |                                |
|----------------------------|--------------------------------|
| Leasehold land & buildings | - over the period of the lease |
| Plant & equipment          | - 10%-20% of cost              |
| Computer equipment         | - 20%-50% of cost              |
| Motor Vehicles             | - 20% of cost                  |

#### **Investment properties**

Properties held for investment purposes are included in the balance sheet at their open market value. Depreciation is not charged on investment properties unless that property suffers a permanent diminution in value.

# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

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### 1. Accounting policies *(continued)*

#### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### 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.

#### Deferred taxation

Provision is made at current rates for tax deferred in respect of all material timing differences. Deferred tax balances are not discounted.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are only recognised where they arise from timing differences where their recoverability in the short term is regarded as more likely than not.

### 2. Operating profit

Operating profit is stated after charging/(crediting):

|  | 2005<br>£ | 2004<br>£ |
|--|-----------|-----------|
| Staff pension contributions                                | 2,898     | 3,097     |
| Depreciation of owned fixed assets                         | 35,656    | 31,677    |
| Depreciation of assets held under hire purchase agreements | 6,600     | 6,599     |
| (Profit)/Loss on disposal of fixed assets                  | (3,785)   | 1,836     |
| Auditors' fees   | 6,750     | 6,600     |

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# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 3. Directors' emoluments

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

|  | 2005<br>£      | 2004<br>£      |
|--|----------------|----------------|
| Aggregate emoluments   | 80,136         | 239,400        |
| Value of company pension contributions to money purchase schemes | 67,500         | —              |
|  | <u>147,636</u> | <u>239,400</u> |

### 4. Exceptional profit on disposal of fixed assets

|                                    | 2005<br>£ | 2004<br>£        |
|------------------------------------|-----------|------------------|
| Profit on disposal of fixed assets | —         | <u>3,835,271</u> |

The profit on sale of fixed assets in 2004 arose from the sale of the company's freehold land and buildings at Broom Mills for a consideration of £4,700,000.

### 5. Interest receivable and similar income

|                             | 2005<br>£      | 2004<br>£     |
|-----------------------------|----------------|---------------|
| Bank interest receivable    | 119,915        | 41,350        |
| Interest on corporation tax | —              | 6             |
|                             | <u>119,915</u> | <u>41,356</u> |

### 6. Interest payable and similar charges

|                            | 2005<br>£    | 2004<br>£     |
|----------------------------|--------------|---------------|
| Debenture interest payable | —            | 7,119         |
| Bank interest              | 182          | 2,369         |
| Hire purchase interest     | 804          | 1,894         |
| Bank loan interest         | 8,338        | 10,624        |
|                            | <u>9,324</u> | <u>22,006</u> |

# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 7. Taxation on ordinary activities

#### (a) Analysis of charge in the year

|  | 2005            |                 | 2004       |                |
|--|-----------------|-----------------|------------|----------------|
|  | £               | £               | £          | £              |
| Current tax:   |                 |                 |            |                |
| UK Corporation tax based on the results for the year at 19% (2004 - 30%) |                 | 53,514          |            | 468,551        |
| Under/(over) provision in prior year                                     |                 | 19,036          |            | (611)          |
|  |                 | <u>72,550</u>   |            | <u>467,940</u> |
| ACT recoverable previously written off                                   |                 | —               |            | (20,917)       |
| Total current tax (note 7(b))  |                 | <u>72,550</u>   |            | <u>447,023</u> |
| Deferred tax:  |                 |                 |            |                |
| Origination and reversal of timing differences (note 15)                 |                 |                 |            |                |
| Capital allowances   | (17,128)        |                 | 47,002     |                |
| Other  | 20              |                 |            |                |
| Prior year adjustment  | <u>(30,505)</u> |                 | <u>924</u> |                |
| Total deferred tax (note 15)   |                 | <u>(47,613)</u> |            | <u>47,926</u>  |
| Tax on profit on ordinary activities                                     |                 | <u>24,937</u>   |            | <u>494,949</u> |



# **R GAUNT & SONS (HOLDINGS) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2005**

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### **7. Taxation on ordinary activities (continued)**

#### **(b) Factors affecting current tax charge**

|   | <b>2005<br/>£</b>     | <b>2004<br/>£</b>       |
|---|-----------------------|-------------------------|
| Profit on ordinary activities before taxation | <b><u>403,196</u></b> | <b><u>3,996,198</u></b> |
| Profit on ordinary activities by rate of tax  | <b>76,607</b>         | 1,198,859               |
| Expenses not deductible for tax               | <b>1,790</b>          | 8,845                   |
| Capital gains                                 | <b>—</b>              | (665,318)               |
| Other short term timing differences           | <b>(12,825)</b>       | (46,650)                |
| Adjustments in respect of prior years         | <b>19,036</b>         | (611)                   |
| Capital allowances in excess of depreciation  | <b>(12,058)</b>       | (27,185)                |
| ACT recovered previously written off          | <b>—</b>              | (20,917)                |
| Total current tax (note 7(a))                 | <b><u>72,550</u></b>  | <b><u>447,023</u></b>   |

# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 8. Tangible fixed assets

|  | Long<br>leasehold<br>land and<br>buildings<br>£ | Plant and<br>equipment<br>£ | Motor<br>vehicles<br>£ | Investment<br>properties<br>£ | Total<br>£       |
|--|---|-----------------------------|------------------------|-------------------------------|------------------|
| <b>Cost or valuation</b>   |   |                             |                        |                               |                  |
| At 1 April 2004  | 80,000  | 308,993                     | 82,038                 | 5,469,100                     | 5,940,131        |
| Additions  | —   | 17,155                      | —                      | 360,102                       | 377,257          |
| Disposals  | —   | (500)                       | —                      | —                             | (500)            |
| Transfers  | (80,000)  | —                           | —                      | 80,000                        | —                |
| On revaluation   | —   | —                           | —                      | 285,979                       | 285,979          |
| <b>At 31 March 2005</b>  | <u>—</u>  | <u>325,648</u>              | <u>82,038</u>          | <u>6,195,181</u>              | <u>6,602,867</u> |
| <b>Cost or valuation at<br/>31 March 2005 is<br/>represented by:</b> |   |                             |                        |                               |                  |
| At cost  | —   | 325,648                     | 82,038                 | 274,031                       | 681,717          |
| Valuation- 2005  | —   | —                           | —                      | 5,921,150                     | 5,921,150        |
| <b>At 31 March 2005</b>  | <u>—</u>  | <u>325,648</u>              | <u>82,038</u>          | <u>6,195,181</u>              | <u>6,602,867</u> |
| <b>Depreciation</b>  |   |                             |                        |                               |                  |
| At 1 April 2004  | —   | 246,636                     | 19,223                 | —                             | 265,859          |
| Charge for the year  | —   | 27,272                      | 14,984                 | —                             | 42,256           |
| On disposals   | —   | (200)                       | —                      | —                             | (200)            |
| <b>At 31 March 2005</b>  | <u>—</u>  | <u>273,708</u>              | <u>34,207</u>          | <u>—</u>                      | <u>307,915</u>   |
| <b>Net book value</b>  |   |                             |                        |                               |                  |
| <b>At 31 March 2005</b>  | <u>—</u>  | <u>51,940</u>               | <u>47,831</u>          | <u>6,195,181</u>              | <u>6,294,952</u> |
| At 31 March 2004   | 80,000  | 62,357                      | 62,815                 | 5,469,100                     | 5,674,272        |

Investment properties were revalued by the directors at 31 March 2005 on the basis of the market values for existing use.

During the year the company purchased the freehold relating to the long leasehold property. The property has been reclassified as investment property.

# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 8. Tangible fixed assets *(continued)*

In accordance with Statement of Standard Accounting Practice number 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. Depreciation is not provided in respect of freehold investment properties and leasehold investment properties where the unexpired period of the lease is more than 20 years. This is a departure from the requirements of the Companies Act 1985 which requires assets which have a finite useful life to be depreciated where their cost (or valuation) is greater than their residual value (as assessed at the date of acquisition or valuation). The directors consider the following reasoning in Statement of Standard Accounting Practice number 19, depreciating the assets would not give a true and fair view because they are held for investment and not consumption. Consequently, the current value of these investments, and changes in their current value, are of prime importance in assessing the financial position rather than a calculation of systematic annual depreciation and, therefore, the accounting policy adopted results in the financial statements giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount that might otherwise have been shown cannot be separately identified and quantified.

The historical cost of investment properties held at 31 March 2005 was £2,603,627 (2004: £2,243,525).

#### Hire purchase agreements

Included within the net book value of £6,294,952 is £19,795 (2004 - £26,396) relating to assets held under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £6,600 (2004 - £6,599).

### 9. Investments

#### Subsidiary undertakings

At 31 March 2005 the company owned 100% of the issued share capital of Arthur Harrison & Co Limited, a dormant company which is registered in England & Wales.

The further information regarding the subsidiary undertakings which is required by Schedule 5 of the Companies Act 1985 is as follows:

#### Aggregate capital and reserves

|                              | 2005<br>£     | 2004<br>£     |
|------------------------------|---------------|---------------|
| Arthur Harrison & Co Limited | <u>38,498</u> | <u>38,498</u> |

#### Profit and (loss) for the year

|                              | 2005<br>£ | 2004<br>£  |
|------------------------------|-----------|------------|
| Arthur Harrison & Co Limited | <u>-</u>  | <u>(2)</u> |

# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 10. Debtors

|                                | 2005<br>£      | 2004<br>£        |
|--------------------------------|----------------|------------------|
| Trade debtors                  | 106,111        | 118,576          |
| Other debtors                  | —              | 1,471,824        |
| Prepayments and accrued income | 49,398         | 53,071           |
|                                | <u>155,509</u> | <u>1,643,471</u> |

### 11. Creditors: Amounts falling due within one year

|  | 2005<br>£      | 2004<br>£        |
|--|----------------|------------------|
| Bank loans                                 | 24,348         | 24,933           |
| Bank overdraft                             | 1,772          | 19,008           |
| Trade creditors                            | 45,552         | 44,566           |
| Amounts owed to group undertakings         | 38,498         | 38,498           |
| Corporation tax                            | 52,287         | 447,023          |
| Other taxes and social security            | 24,695         | 18,344           |
| Obligations under hire purchase agreements | 1,089          | 13,311           |
| Dividends payable                          | 69,634         | 61,947           |
| Other creditors                            | 50,247         | 49,160           |
| Accruals and deferred income               | 231,180        | 289,725          |
|  | <u>539,302</u> | <u>1,006,515</u> |

### 12. Creditors: Amounts falling due after more than one year

|  | 2005<br>£     | 2004<br>£      |
|--|---------------|----------------|
| Bank loans and overdrafts                  | 94,740        | 120,798        |
| Obligations under hire purchase agreements | —             | 1,175          |
|  | <u>94,740</u> | <u>121,973</u> |

# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 13. Maturity of debt

Creditors include finance capital which is due for repayment as follows:

|   | 2005<br>£      | 2004<br>£      |
|---|----------------|----------------|
| Amounts repayable:                                  |                |                |
| In one year or less or on demand                    | 24,348         | 24,933         |
| In more than one year but not more than two years   | 25,969         | 24,348         |
| In more than two years but not more than five years | 68,771         | 83,214         |
| In more than five years                             | —              | 13,236         |
|   | <u>119,088</u> | <u>145,731</u> |

Bank loans of £119,088 (2004: £145,731), are secured by a charge on certain investment properties. The loan is repayable within five years. Interest is charged at 1.5% above bank base rate.

### 14. Commitments under hire purchase agreements

Future commitments under hire purchase agreements are as follows:

|                                       | 2005<br>£    | 2004<br>£     |
|---------------------------------------|--------------|---------------|
| Amounts payable within 1 year         | 1,089        | 13,311        |
| Amounts payable between 1 and 2 years | —            | 1,175         |
|                                       | <u>1,089</u> | <u>14,486</u> |

### 15. Deferred taxation

The movement in the deferred taxation provision during the year was:

|  | 2005<br>£     | 2004<br>£      |
|--|---------------|----------------|
| Provision brought forward                                | 145,024       | 97,098         |
| Profit and loss account movement arising during the year | (47,613)      | 47,926         |
| Provision carried forward                                | <u>97,411</u> | <u>145,024</u> |

# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 15. Deferred taxation (continued)

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

|   | 2005          |                | 2004           |               |
|---|---------------|----------------|----------------|---------------|
|   | Provided      | Unprovided     | Provided       | Unprovided    |
|   | £             | £              | £              | £             |
| Excess of taxation allowances over depreciation on fixed assets | 97,447        | —              | 145,080        | —             |
| Other timing differences  | (36)          | —              | (56)           | —             |
| Provision for tax on revaluation                                | —             | 132,000        | —              | 87,700        |
|   | <u>97,411</u> | <u>132,000</u> | <u>145,024</u> | <u>87,700</u> |

Deferred taxation is based on a corporation tax rate of 19% (2004: 30%).

### 16. Commitments under operating leases

At 31 March 2005 the company had annual commitments under non-cancellable operating leases as set out below.

|                                | Assets Other Than Land & Buildings |               |
|--------------------------------|------------------------------------|---------------|
|                                | 2005                               | 2004          |
|                                | £                                  | £             |
| Operating leases which expire: |                                    |               |
| Within 1 year                  | 278                                | —             |
| Within 2 to 5 years            | 16,787                             | 15,207        |
|                                | <u>17,065</u>                      | <u>15,207</u> |

### 17. Related party transactions

Throughout the year the company was controlled by the directors. The interests of the directors are shown in the directors' report.

# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 18. Share capital

#### Authorised share capital:

|   | 2005<br>£      | 2004<br>£      |
|---|----------------|----------------|
| 360,000 Ordinary shares of £1 each                  | 360,000        | 360,000        |
| 15,000 4.2% Cumulative Preference shares of £1 each | 15,000         | 15,000         |
|   | <u>375,000</u> | <u>375,000</u> |

#### Allotted, called up and fully paid:

|                            | 2005<br>No     | £              | 2004<br>No     | £              |
|----------------------------|----------------|----------------|----------------|----------------|
| Ordinary shares of £1 each | <u>211,012</u> | <u>211,012</u> | <u>269,336</u> | <u>269,336</u> |

On 25 August 2004 the company purchased 58,324 Ordinary Shares of £1 each for a consideration of £854,447 representing 21.6% of the issued share capital.

### 19. Share premium account

There was no movement on the share premium account during the financial year.

### 20. Revaluation reserve

|  | 2005<br>£        | 2004<br>£        |
|--|------------------|------------------|
| Balance brought forward                                | 3,305,575        | 2,730,261        |
| Revaluation of fixed assets                            | 285,979          | 1,065,015        |
| Transfer to the Profit and Loss Account on realisation | -                | (489,701)        |
| Balance carried forward                                | <u>3,591,554</u> | <u>3,305,575</u> |

### 21. Other reserves

| Capital redemption reserve | 2005<br>£      | 2004<br>£      |
|----------------------------|----------------|----------------|
| Balance brought forward    | 105,664        | 105,564        |
| Purchase of own shares     | 58,324         | 100            |
|                            | <u>163,988</u> | <u>105,664</u> |

# R GAUNT & SONS (HOLDINGS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2005

### 22. Profit and loss account

|  | 2005<br>£        | 2004<br>£        |
|--|------------------|------------------|
| Balance brought forward                | 5,276,634        | 1,385,441        |
| Retained profit for the financial year | 55,411           | 3,401,592        |
| Transfer from revaluation reserve      | —                | 489,701          |
| Purchase of own shares                 | (858,722)        | (100)            |
| Balance carried forward                | <u>4,473,323</u> | <u>5,276,634</u> |

### 23. Reconciliation of movements in shareholders' funds

#### Equity shareholders' funds

|  | 2005<br>£        | £ | 2004<br>£        | £ |
|--|------------------|---|------------------|---|
| Profit for the financial year                          | 378,259          |   | 3,501,249        |   |
| Dividends  | (322,848)        |   | (99,657)         |   |
|  | 55,411           |   | 3,401,592        |   |
| Other net recognised gains and losses                  | 285,979          |   | 1,065,015        |   |
| Purchase of own equity shares                          | (58,324)         |   | —                |   |
| Premium on purchase of own equity shares               | (800,398)        |   | —                |   |
|  | (858,722)        |   | —                |   |
| Net (reduction)/addition to shareholders' equity funds | (517,332)        |   | 4,466,607        |   |
| Opening shareholders' equity funds                     | 8,957,295        |   | 4,490,688        |   |
| Closing shareholders' equity funds                     | <u>8,439,963</u> |   | <u>8,957,295</u> |   |

#### Non-equity shareholders' funds

|  |                  |                  |
|--|------------------|------------------|
| Opening shareholders' non-equity funds   | —                | 100              |
| Purchase of own non-equity shares        | —                | (100)            |
| Closing shareholders' non-equity deficit | —                | —                |
| <b>Total shareholders' funds</b>         | <u>8,439,963</u> | <u>8,957,295</u> |