

JOHN BROOKE & SONS HOLDINGS LIMITED

DIRECTORS	Mr. M. R. H. Brooke (Chairman) Mrs. H. T. J. Roberts
SECRETARY	Mr. M. R. H. Brooke
REGISTERED OFFICE	Armitage Bridge Mills, HUDDERSFIELD, West Yorkshire. HD4 7NR
REGISTERED NUMBER	56189 England and Wales
AUDITORS	Bousfield, Waite & Co., Chartered Accountants and Registered Auditors, Prescott Chambers, 28 Prescott Street, HALIFAX, West Yorkshire HX1 2JL



JOHN BROOKE & SONS HOLDINGS LIMITED.

Auditors' Report to John Brooke & Sons Holdings Limited under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 4 to 10 together with the financial statements of the company for the year ended 31st March 2004 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 (5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we 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 our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246 (5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages to are properly prepared in accordance with those provisions.

On 20th August 2004 we reported as auditors of John Brooke & Sons Holdings Limited to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st March 2004 and our audit report was as follows.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

JOHN BROOKE & SONS HOLDINGS LIMITED

We have audited the financial statements of John Brooke & Sons Holdings Limited for the year ended 31st March 2004 on pages 5 to 12. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with the applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

JOHN BROOKE & SONS HOLDINGS LIMITED (CONTINUED)

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 the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

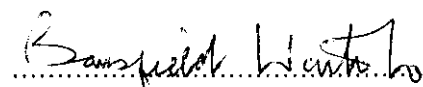
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 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 disagreement about accounting treatment.

The Company owns investment properties from which a rental income is derived. Statement of Standard Accounting Practice 19 requires such properties to be stated in the Balance Sheet at open market value. The Balance Sheet discloses such properties at cost less depreciation and no explanation for the departure from SSAP 19 is included in the financial statements as required by the Companies Act 1985.

Except for the failure to comply with SSAP 19, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March, 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bousfield, Waite & Co.,
Chartered Accountants and Registered Auditors,
Prescott Chambers,
28 Prescott Street,
HALIFAX,
West Yorkshire
HX1 2JL

20th August 2004

AUDITORS REPORT TO THE DIRECTORS OF

JOHN BROOKE & SONS HOLDINGS LIMITED

PURSUANT TO PARAGRAPH 248 (3) OF THE COMPANIES ACT 1985

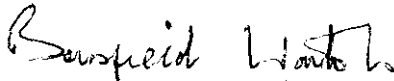
We have examined the financial statements of the company and each of its subsidiaries for the year ended 31st March 2004.

BASIS OF OPINION

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to exemption from preparing group financial statements.

OPINION

In our opinion the company is entitled to the exemption from preparing group accounts conferred by section 248 of the Companies Act 1985



Bousfield, Waite & Co.,
Chartered Accountants and Registered Auditors.
Prescott Chambers,
28 Prescott Street,
HALIFAX,
West Yorkshire.
HX1 2JL

20th August 2004

JOHN BROOKE & SONS HOLDINGS LIMITED

AS AT 31ST MARCH, 2004

BALANCE SHEET

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	6	441,970	409,572
Investments	7	<u>1,095,811</u>	<u>823,459</u>
		<u>1,537,781</u>	<u>1,233,031</u>
CURRENT ASSETS			
Stocks		18,231	8,290
Debtors	8	28,303	7,234
Cash at bank and in hand		<u>1,502,854</u>	<u>1,723,110</u>
		1,549,388	1,738,634
CREDITORS: amounts falling due within one year	9	<u>-78,847</u>	<u>-88,053</u>
NET CURRENT ASSETS		<u>1,470,541</u>	<u>1,650,581</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,008,322	2,883,612
CREDITORS:- amounts falling due after more than one year	10	<u>-322,550</u>	<u>-322,550</u>
		<u>2,685,772</u>	<u>2,561,062</u>
CAPITAL AND RESERVES			
Called up share capital	11	420,000	420,000
Capital reserve		139,362	139,362
General reserve		10,000	10,000
Profit and loss account		<u>2,116,410</u>	<u>1,991,700</u>
SHAREHOLDERS' FUNDS		<u>2,685,772</u>	<u>2,561,062</u>
Represented by			
Equity interests		2,625,772	2,501,062
Non-equity interests		<u>60,000</u>	<u>60,000</u>
		<u>2,685,772</u>	<u>2,561,062</u>

The notes on pages 7 to 12 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

Signed on behalf of the board of directors

M. R. H. BROOKE  Director

Approved by the Board on 19th August 2004

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 2004

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Consolidation

The company and its subsidiaries comprise a small group. The company has taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 'Cash flow statements'.

Turnover

Turnover represents the net invoiced value of goods and services provided, net of Value Added Tax.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold buildings	- over 15 years straight line
Plant and machinery	- 20%/10% straight line
Fixtures and fittings	- 20% straight line
Motor vehicles	- 20%straight line

Stocks and work in progress

Work in progress is valued at the lower of cost and net realisable value.

Foreign currencies

Assets in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 2004

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 OPERATING PROFIT

The operating profit is stated after charging:

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Depreciation of tangible fixed assets - owned by the company	82,448	83,299
Auditors' remuneration	<u>5,500</u>	<u>3,150</u>

3 DIRECTORS REMUNERATION

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Emoluments	<u>49,434</u>	<u>31,601</u>

4 TAXATION

The taxation charge at 19% (2003 : 19%) is made up as follows:-

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
UK corporation tax - current year	<u>26,581</u>	<u>35,868</u>

5 DIVIDENDS

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Proposed dividend on 4.55% cumulative preference shares	<u>2,730</u>	<u>2,730</u>

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 2004

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 TANGIBLE FIXED ASSETS

	<u>Total</u>	<u>Freehold</u> <u>Land and</u> <u>Buildings</u>	<u>Plant</u> <u>Machinery</u> <u>and Fixtures</u>	<u>Motor</u> <u>Vehicles</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost				
At 1st April, 2003	1,456,720	1,040,796	364,932	50,992
Additions	114,846	74,355	40,491	-
Disposals	-42,417	-	-	-42,417
At 31st March, 2004	<u>1,529,149</u>	<u>1,115,151</u>	<u>405,423</u>	<u>8,575</u>
Depreciation				
At 1st April, 2003	1,047,148	666,168	329,988	50,992
Charge for year	82,448	56,969	25,479	-
Disposals	-42,417	-	-	-42,417
At 31st March, 2004	<u>1,087,179</u>	<u>723,137</u>	<u>355,467</u>	<u>8,575</u>
Net Book Values				
At 31st March, 2004	<u>441,970</u>	<u>392,014</u>	<u>49,956</u>	<u>-</u>
At 31st March, 2003	<u>409,572</u>	<u>374,628</u>	<u>34,944</u>	<u>-</u>

Assets acquired prior to 31st March, 1948 are stated at the net amount standing in the company's books at the 1st July, 1948 less subsequent sales. Assets acquired since 31st March, 1948 are stated at cost.

7 INVESTMENTS

	<u>Total</u>	<u>Listed</u> <u>Investments</u>	<u>Subsidiary</u> <u>Undertakings</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Cost at 1st April, 2003	823,459	649,094	174,365
Additions	356,654	356,654	-
Disposals	-84,302	-84,302	-
Cost at 31st March, 2004	<u>1,095,811</u>	<u>921,446</u>	<u>174,365</u>
U.K. Stock Exchange		844,451	
Other Stock Exchanges		<u>76,995</u>	
		<u>921,446</u>	

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 2004

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 INVESTMENTS (CONTINUED)

Subsidiary undertakings.

The company owns the whole of the ordinary share capitals of John Brooke & Sons Limited and A. B. Spinning Company Limited, both incorporated in England. Neither company has traded since 30th September, 1988. No group accounts have been prepared.

At 31st March, 2004 the aggregate of the share capital and reserves of John Brooke & Sons Limited amounted to £237,790 and of A. B. Spinning Company Limited £84,580

Listed investments.

The market value of the listed investments at 31st March, 2004 amounted to £1,335,886 (2003: £904,448).

8. DEBTORS

	<u>2004</u>	<u>2003</u>
	£	£
Trade debtors	19,626	-236
Other Debtors	8,677	7,470
	<hr/>	<hr/>
	28,303	7,234
	<hr/>	<hr/>

Included within other debtors is an amount of £6,651 (2003 : £ Nil) relating to taxation.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2004</u>	<u>2003</u>
	£	£
Trade creditors	31,236	36,747
Corporation tax	26,025	35,008
Taxation and social security	13,261	11,208
Proposed dividends	2,730	2,730
Other creditors	5,595	2,360
	<hr/>	<hr/>
	78,847	88,053
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JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 2004

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Amounts owing to group undertakings	322,550	322,550

11. SHARE CAPITAL

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Authorised.		
Ordinary shares of £10 each	140,000	140,000
'A' Ordinary shares of £1 each	240,000	240,000
4.55% Cumulative preference shares of £10 each	60,000	60,000
	<hr/>	<hr/>
	440,000	440,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
Ordinary shares of £10 each	120,000	120,000
'A' Ordinary shares of £1 each	240,000	240,000
4.55% Cumulative preference shares of £10 each	60,000	60,000
	<hr/>	<hr/>
	420,000	420,000
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The 'A' Ordinary shares have no voting rights but in all other respects rank pari passu with the Ordinary shares of £10 each in the capital of the company as if each 'A' Ordinary share were a one-tenth part of an Ordinary share.

The preference shares carry no votes at meetings. They carry a dividend of 4.55% cumulative per annum. The preference shareholders have a right to receive £1 per share plus accrued dividends in preference to any payments to the ordinary shareholders in the event of a winding up.

12. CAPITAL COMMITMENTS

At 31st March, 2004 there were no commitments for capital expenditure (2003 : Nil).

JOHN BROOKE & SONS HOLDINGS LIMITED

YEAR ENDED 31ST MARCH, 2004

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. RELATED PARTIES

The company received a management fee of £ Nil (2003 : £1,000) from The William Brooke Benevolent Fund of which the directors are trustees.

The company also received from The William Brooke Benevolent Fund rental and other associated income, charged on a normal commercial basis, of £52,550 (2003 : £65,495). The balance due at the year end amounted to £227 (2003 : £18,450).

14. CONTROLLING PARTY

The company is controlled by Mr M. R. H. Brooke and the executors of Mr E.L.M.Brooke, who are the beneficial owners of the majority of the company's issued share capital.