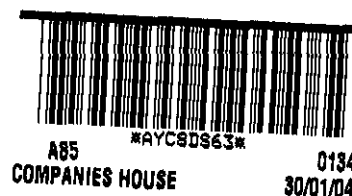


Arthur Newbery Limited

Abbreviated accounts

For the year ended 31 March 2003

Grant Thornton 



Company No. 57762

Company information

Registered office

2 Alton Chambers
37 Church Road
Parkstone
Poole
Dorset
BH14 8UF

Directors

Mr R A Graham
Mr G J Graham
Mr D L Graham
Mr A Browne

Secretary

Mr A Browne

Bankers

HSBC Bank
Bournemouth

Solicitors

Preston & Redman
Bournemouth

Auditors

Grant Thornton
Chartered Accountants
Registered Auditors
2 Parkstone Road
Poole
Dorset
BH15 2PJ

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Grant Thornton 

Independent auditors' report to the company pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts which comprise the balance sheet and the related notes, together with the financial statements of the company for the year ended 31 March 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in a special 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, for our audit work, for this report, or for the opinions we have formed.

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 sections 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 report our opinion to you.

Basis of opinion

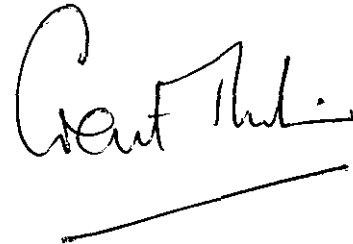
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 sections 246(5) and (6) of the Act, and the abbreviated accounts which comprise the balance sheet and the related notes are properly prepared in accordance with those provisions.

GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS

.....
28 January 2004

A handwritten signature in cursive script, appearing to read "Grant Thornton", is written over a single horizontal line.

Principal accounting policies

Basis of accounting

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).

Income

Income comprises net rents receivable from investment properties owned, dividends declared during the accounting period, interest and other income receivable on bank deposits, listed and unlisted investments, and profit or loss on the disposal of investments.

Investment properties

Investment properties are stated at cost.

Tangible fixed assets and 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:

Fixtures & Fittings	-	15% Reducing balance
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Work in progress

Work in progress on investment properties is stated at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future have occurred by the balance sheet date.

Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Investments

Investments are included at cost.

Abbreviated balance sheet

	Note	2003 £	2002 £
Fixed assets	1		
Tangible assets		3,698,699	3,117,964
Investments		333,660	333,660
		<u>4,032,359</u>	<u>3,451,624</u>
Current assets			
Stocks		-	138,456
Debtors		18,510	7,179
Cash at bank and in hand		42,257	199,886
		<u>60,767</u>	<u>345,521</u>
Creditors: amounts falling due within one year		<u>511,453</u>	<u>594,222</u>
Net current liabilities		<u>(450,686)</u>	<u>(248,701)</u>
Total assets less current liabilities		<u>3,581,673</u>	<u>3,202,923</u>
Creditors: amounts falling due after more than one year		927,016	697,867
Provisions for liabilities and charges		<u>37,352</u>	<u>16,254</u>
		<u>2,617,305</u>	<u>2,488,802</u>
Capital and reserves			
Called-up share capital	2	31,000	31,000
Profit and loss account		2,586,305	2,457,802
Shareholders' funds		<u>2,617,305</u>	<u>2,488,802</u>

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

These abbreviated accounts were approved by the directors on and are signed on their behalf by:

.....
Mr A Browne
26 January 2004

The accompanying notes form part of these abbreviated accounts.

Notes to the abbreviated accounts

1 Fixed assets

	Tangible Assets £	Investments £	Total £
Cost			
At 1 April 2002	3,130,103	333,660	3,463,763
Additions	785,369	—	785,369
Disposals	(204,550)	—	(204,550)
At 31 March 2003	<u>3,710,922</u>	<u>333,660</u>	<u>4,044,582</u>
Depreciation			
At 1 April 2002	12,139	—	12,139
Charge for year	84	—	84
At 31 March 2003	<u>12,223</u>	<u>—</u>	<u>12,223</u>
Net book value			
At 31 March 2003	<u>3,698,699</u>	<u>333,660</u>	<u>4,032,359</u>
At 31 March 2002	<u>3,117,964</u>	<u>333,660</u>	<u>3,451,624</u>

Investment properties

The directors are of the opinion that in aggregate the market value of the land and buildings exceeds the book value of these assets. In the absence of a professional valuation and because of the wide fluctuation in property values, it is not possible to quantify this excess.

As a result, no provision has been made in the deferred taxation account for the Corporation Tax that would be payable on disposal of these properties at their market value.

1 Fixed assets (continued)

The above investment is in respect of a 49.41% (2002: 49.41%) holding in the ordinary share capital of James Trust Limited. This company is engaged in the business of property management and investment.

The company's share of the results, assets and liabilities of James Trust Limited was:

	2003	2002
	£	£
Turnover	86,918	87,943
Profit before tax	56,528	96,081
Taxation	12,242	12,439
Profit after tax	44,286	83,642
Fixed assets	610,985	619,625
Current assets	128,249	96,182
Liabilities due within one year	50,049	50,022

The investment properties owned by James Trust Limited have been included within fixed assets above at cost and have not been revalued annually as required by Statement of Standard Accounting Practice Number 19. The auditor's report for the financial statements of James Trust Limited for the year ended 31 March 2003 is qualified in this respect.

2 Share capital

Authorised share capital:

	2003	2002
	£	£
22,000 Ordinary shares of £1 each	22,000	22,000
10,000 Preference shares of £1 each	10,000	10,000
	<u>32,000</u>	<u>32,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	22,000	22,000	22,000	22,000
Preference shares of £1 each	9,000	9,000	9,000	9,000
	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>	<u>31,000</u>

Preference shares

The preference shares are non-equity shares which carry an entitlement to a dividend at the rate of 3.5% (net) per share annum.