

S Schneiders & Son Limited

Directors' report and financial statements

31 March 2003

Registered number 305865



S Schneiders & Son Limited

Directors' report and financial statements

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S Schneiders & Son Limited

Directors' report

The directors present their annual report together with the audited financial statements for the year ended 31 March 2003.

Directors

The directors who served during the year were:

I.M. Directors Limited
I.M. Secretaries Limited

The director retiring by rotation is I.M. Secretaries Limited and, being eligible, offers itself for re-election.

No contracts between the company and either of its directors existed at any time during the year ended 31 March 2003.

There are no directors' interests requiring disclosure under the Companies Act 1985.

Principal activity

The company operates as a property developer.

Business review

During the year the group has not traded.

Dividends

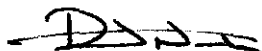
The dividends due on the preference shares have not been paid and amounted to £19,500 (2002: £19,500).

The directors do not recommend the payment of a dividend on the ordinary shares in respect of the year ended 31 March 2003 (2002: £nil).

Auditors

In accordance with Section 385 of the Companies Act 1985 a resolution for the re-appointment of Grant Thornton as auditors of the company is to be proposed at the forthcoming annual general meeting.

By Order of the Board



for and on behalf of
I.M. SECRETARIES LIMITED
Secretary

PO Box 506
98 Kirkstall Road
Leeds
LS3 1YN

22 December 2003

S Schneiders & Son Limited

Statement of directors' responsibilities for the financial statements

Company law in the United Kingdom 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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.

Report of the independent auditors to the members of S Schneiders & Son Limited

We have audited the financial statements of S Schneider & Son Limited for the year ended 31 March 2003 which comprise the consolidated profit and loss account, the balance sheets and notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

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

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

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 directors' report, and consider whether it is consistent with the audited financial statements. 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.

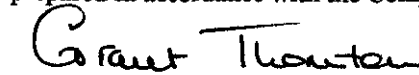
Basis of opinion

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 group'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 2003 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Grant Thornton
Registered Auditors
Chartered Accountants
Leeds

29 January 2004

S Schneiders & Son Limited

Consolidated profit and loss account for the year ended 31 March 2003

	<i>Note</i>	2003 £'000	2002 £'000
Profit for the financial year	4	-	-
Dividends accrued on non-equity shares	5	(19)	(19)
		<hr/>	<hr/>
Loss for the financial year	12	(19)	(19)
Retained profit brought forward		174	193
		<hr/>	<hr/>
Retained profit carried forward		155	174
		<hr/>	<hr/>
Loss per ordinary share	6	(0.3p)	(0.3p)
		<hr/>	<hr/>

A statement of movements in reserves and in shareholders' funds is given in note 12.

There were no recognised gains or losses other than those reflected above (2002: £nil).

S Schneiders & Son Limited

Consolidated balance sheet at 31 March 2003

	Note	2003 £'000	2002 £'000
Current assets			
Debtors: amounts falling due after more than one year	8	1,148	1,146
Creditors: amounts falling due within one year	9	(199)	(178)
Net current assets		949	968
Creditors: amounts falling due after one year	10	(197)	(197)
Net assets		752	771
Capital and reserves			
Called up share capital	11	597	597
Profit and loss account	12	155	174
Shareholders' funds	12	752	771
Analysis of shareholders' funds			
Equity		427	446
Non-equity		325	325
		752	771

These financial statements were approved by the Board of Directors on 22 December 2003 and were signed on its behalf by:

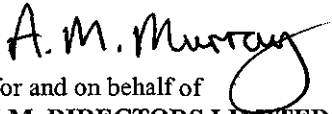
A. M. Murray
for and on behalf of
I.M. DIRECTORS LIMITED
Director

S Schneiders & Son Limited

Balance sheet at 31 March 2003

	Note	2003		2002	
		£'000	£'000	£'000	£'000
Fixed assets					
Investments	7		160		160
Current assets					
Debtors: amounts falling due after more than one year	8	1,148		1,146	
Creditors: amounts falling due within one year	9	(199)		(178)	
Net current assets			949		968
Total assets less current liabilities			1,109		1,128
Creditors: amounts falling due after more than one year	10		(357)		(357)
Net assets			752		771
Capital and reserves					
Called up share capital	11		597		597
Profit and loss account	12		155		174
Shareholders' funds			752		771
Analysis of shareholders' funds:					
Equity			427		446
Non-equity			325		325
			752		771

These financial statements were approved by the Board of Directors on 22 December 2003 and were signed on its behalf by:


for and on behalf of
I.M. DIRECTORS LIMITED
Director

S Schneiders & Son Limited

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Consolidation

The financial statements of all subsidiary undertakings are consolidated and are made up to the end of the financial year. A separate profit and loss account dealing with the results of the company only has not been presented.

Cash flow statement

Under Financial Reporting Standard No 1 (revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

2 Staff numbers and costs

No persons were employed by the company during the year.

Directors' remuneration

The directors do not receive any remuneration in respect of their services to this company.

3 Taxation on profit on ordinary activities

The company has potential advance corporation tax recoverable amounting to approximately £258,000 (2002: £258,000).

4 Profit for the financial year

The profit attributable to S Schneiders & Son Limited dealt with in the consolidated profit and loss account was £nil (2002: £nil).

S Schneiders & Son Limited

Notes (continued)

5 Dividends

	2003 £'000	2002 £'000
6% cumulative preference shares - accrued	19	19
	<hr/>	<hr/>

At 31 March 2003, arrears of preference dividends were £58,500 (2002 : £39,000)

6 Loss per ordinary share

Loss per share is calculated on 5,440,000 ordinary shares currently in issue on the following earnings:

	2003 £'000	2002 £'000
Profit for the financial year	-	-
Preference dividends	(19)	(19)
	<hr/>	<hr/>
Loss attributable to ordinary shareholders	(19)	(19)
	<hr/>	<hr/>

7 Investments

	Company £'000
Shares in group undertakings at cost: At 1 April 2002 and 31 March 2003	160
	<hr/>

The company owns the whole of the issued ordinary share capital of the following subsidiary undertaking which does not trade and is incorporated in Great Britain and registered in England and Wales:

Benjamin Simon & Sons Limited

S Schneiders & Son Limited

Notes (continued)

8 Debtors

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Amounts falling due after more than one year:				
Amounts owed by parent and fellow subsidiary undertakings (see note 10)	1,148	1,146	1,148	1,146

9 Creditors: amounts falling due within one year

	Group and Company	
	2003	2002
	£'000	£'000
Taxation	139	138
Proposed dividends on non-equity shares	60	40
	199	178

10 Creditors: amounts falling due after more than one year

	Group		Company	
	2003	2002	2003	2002
	£'000	£'000	£'000	£'000
Amounts owed to subsidiary undertaking	-	-	160	160
Deferred income (see below)	197	197	197	197
	197	197	357	357

S Schneiders & Son Limited

Notes (continued)

10 Creditors: amounts falling due after more than one year (continued)

The deferred income relates to the value of a trademark belonging to the company. A fellow subsidiary undertaking has, as part of an investment agreement with a Russian company, granted a five year licence for the use of the trademark.

The investment agreement is currently the subject of litigation in London in which the fellow subsidiary undertaking is claiming damages for professional negligence from the legal advisers involved in both the negotiations of the original investment agreement and the subsequent litigation arising in Moscow following the investment.

Included in debtors due after one year is a corresponding amount of £197,000 due from the parent undertaking.

11 Share capital

	2003 £'000	2002 £'000
Authorised, allotted, called up and fully paid:		
325,000 6% cumulative preference shares of £1 each (non-equity)	325	325
5,440,000 ordinary shares of 5p each (equity)	272	272
	<hr/>	<hr/>
	597	597
	<hr/>	<hr/>

Rights of non-equity interests are as follows:-

- they entitle holders in priority to holders of all other classes of share, to a fixed cumulative preference dividend at a rate of 6% per annum, payable half yearly on 1 September and 1 March;
- on a return of capital on a winding up they will carry the right to repayment of capital together with a sum equal to any arrears of dividend accrued up to the date of commencement of winding up; this right is in priority to the rights of all other shares in the capital of the company; and
- they carry the right to attend and vote (with 20 votes for each preference share) at a general meeting of the company only if, at the date of the notice convening the meeting, payment of the dividend to which they are entitled is six months or more in arrears, or if a resolution is to be considered at the meeting for the winding up of the company or for the reduction of its capital or for the variation of class rights.

The cumulative preference shares are redeemable at par at the option of the company after 31 December 2003.

The preference shares were de-listed from the London Stock Exchange on 1 September 1998.

S Schneiders & Son Limited

Notes (continued)

12 Reserves and shareholders' funds

	Group and company		
	Share capital £'000	Profit and loss account £'000	Shareholders' funds £'000
At 1 April 2002	597	174	771
Loss for the financial year	-	(19)	(19)
	<hr/>	<hr/>	<hr/>
At 31 March 2003	597	155	752
	<hr/>	<hr/>	<hr/>

13 Parent undertaking, ultimate parent company and transactions with related parties

Hartley Investment Trust Limited, which is incorporated in Great Britain and registered in England and Wales, is the ultimate parent company of S Schneiders & Son Limited. It is also the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which S Schneiders & Son Limited is a member. No intermediate parent undertakings of S Schneiders & Son Limited prepare group financial statements. The financial statements of Hartley Investment Trust Limited will be filed with the Registrar of Companies.

As a wholly owned subsidiary of J & J Crombie Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Hartley Investment Trust Limited, on the grounds that group accounts are publicly available from Companies House.