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Opperman Investments Limited

Report and Financial Statements

Year Ended

30 June 2003



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BDO Stoy Hayward
Chartered Accountants

Opperman Investments Limited

Annual report and financial statements for the year ended 30 June 2003

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Directors

R Davis
T H B Eyles
J Crossley
V I Crossley

Secretary and registered office

D A L Eyles, 3A Burke Lodge, London End, Beaconsfield, Buckinghamshire, HP9 2JH

Company number

359798

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL

Opperman Investments Limited

Report of the directors for the year ended 30 June 2003

The directors present their report together with the audited financial statements for the year ended 30 June 2003.

Results and dividends

The profit and loss account is set out on page 5 and shows the profit for the year.

The directors propose a final dividend of £1.50 per share (2002 - £1.50). In addition with the three interim dividends paid (£45,000 in total) during the year this makes a total of £60,000 of dividends for the year (2002 - £60,000).

Principal activities, review of business and future developments

The company's principal activity continues to be that of property investment.

The business of the company has developed satisfactorily during the year, and it is envisaged that this will continue in the foreseeable future.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	30 June 2003	1 July 2002
R Davis	2	2
T H B Eyles	2,268	2,268
J Crossley	1,667	1,667
V I Crossley	1,667	1,667
Family interest		
Oscar & Rosa Davis Charitable Trust	1,698	1,698

The trustees of the Oscar & Rosa Davis Charitable Trust are R Davis and T H B Eyles.

Opperman Investments Limited

Report of the directors for the year ended 30 June 2003 (*Continued*)

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 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 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. They 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.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

D A L Eyles



Secretary

Date:

29 October 2003

Opperman Investments Limited

Report of the independent auditors

To the shareholders of Opperman Investments Limited

We have audited the financial statements of Opperman Investments Limited for the year ended 30 June 2003 on pages 5 to 14 which have been prepared under the accounting policies set out on page 8.

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.

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

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

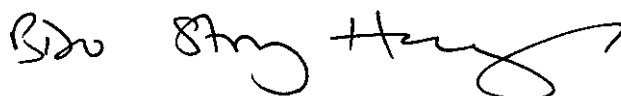
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opperman Investments Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Handwritten signature in black ink, appearing to read 'BDO Stoy Hayward'.

BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors
London*

Date:

29/10/03

Opperman Investments Limited**Profit and loss account for the year ended 30 June 2003**

	Note	2003 £	2002 £
Turnover	2	143,290	133,218
Cost of sales		3,988	11,684
		<hr/>	<hr/>
Gross profit		139,302	121,534
Administrative expenses		16,515	14,798
		<hr/>	<hr/>
Operating profit	3	122,787	106,736
Other interest receivable and similar income	5	2,307	3,355
Interest payable and similar charges	6	(7,291)	(9,423)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		117,803	100,668
Taxation on profit on ordinary activities	7	22,340	20,438
		<hr/>	<hr/>
Profit on ordinary activities after taxation		95,463	80,230
Dividends	8	60,000	60,000
		<hr/>	<hr/>
Retained profit	14	35,463	20,230
		<hr/>	<hr/>

All amounts relate to continuing activities.

The notes on pages 8 to 14 form part of these financial statements.

Opperman Investments Limited

Statement of total recognised gains and losses for the year ended 30 June 2003

	2003	2002
	£	£
Profit for the financial year	95,463	80,230
Revaluation surplus	269,000	-
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	364,463	80,230
	<hr/>	<hr/>

The notes on pages 8 to 14 form part of these financial statements.

Opperman Investments Limited

Balance sheet at 30 June 2003

	Note	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	9		1,784,000		1,515,000
Current assets					
Debtors	10	6,796		9,959	
Cash at bank and in hand		153,128		131,536	
		<u>159,924</u>		<u>141,495</u>	
Creditors: amounts falling due within one year	11	117,416		114,450	
Net current assets			<u>42,508</u>		<u>27,045</u>
Total assets less current liabilities			<u>1,826,508</u>		<u>1,542,045</u>
Creditors: amounts falling due after more than one year	12		95,000		115,000
			<u>1,731,508</u>		<u>1,427,045</u>
Capital and reserves					
Called up share capital	13		10,000		10,000
Revaluation reserve	14		753,175		484,175
Profit and loss account	14		968,333		932,870
Equity shareholders' funds	15		<u>1,731,508</u>		<u>1,427,045</u>

The financial statements were approved by the Board on

29 October 2003

T H B Eyles

T H B Eyles
Director

The notes on pages 8 to 14 form part of these financial statements.

Opperman Investments Limited

Notes forming part of the financial statements for the year ended 30 June 2003

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and are in accordance with applicable accounting standards.

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that it is a 'small' company under the Companies Act 1985.

Turnover

Turnover represents net rentals to outside customers at invoiced amounts less value added tax.

Investment properties

In accordance with SSAP 19 investment properties are revalued annually to open market value and no depreciation is provided. The directors consider that this accounting policy results in the financial statements giving a true and fair view. The effect of this departure from the Companies Act 1985 has not been quantified because it is impracticable and, in the opinion of the directors, would be misleading.

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Opperman Investments Limited**Notes forming part of the financial statements for the year ended 30 June 2003 (Continued)**

3 Operating profit

	2003 £	2002 £
This is arrived at after charging:		
Audit services	6,500	7,638
	<u> </u>	<u> </u>

4 Directors' remuneration

No director received any emoluments during the current year (2002 - £NIL).

5 Other interest receivable and similar income

	2003 £	2002 £
Bank deposits	2,301	3,349
Other interest received	6	6
	<u> </u>	<u> </u>
	2,307	3,355
	<u> </u>	<u> </u>

6 Interest payable and similar charges

	2003 £	2002 £
Bank loans and overdrafts	7,291	9,423
	<u> </u>	<u> </u>

Opperman Investments Limited

Notes forming part of the financial statements for the year ended 30 June 2003 (Continued)

7 Taxation on profit on ordinary activities

	2003 £	2002 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	22,340	20,438

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	117,803	100,668
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2002 - 20%)	22,383	20,134
Effect of:		
Expenses not deductible for tax purposes	-	562
Capital allowances for period in excess of depreciation	(43)	-
Change in tax rate	-	(258)
Current tax charge for period	22,340	20,438

8 Dividends

	2003 £	2002 £
<i>Equity shares</i>		
Ordinary shares		
Interim paid of £4.50 (2002 - £4.50) per share	45,000	45,000
Final proposed of £1.50 (2002 - £1.50) per share	15,000	15,000
	60,000	60,000

Opperman Investments Limited

Notes forming part of the financial statements for the year ended 30 June 2003 (Continued)

9 Tangible fixed assets

	Freehold land and buildings £
<i>Cost or valuation</i>	
At 1 July 2002	1,515,000
Revaluations	269,000
	<hr/>
At 30 June 2003	1,784,000
	<hr/>

Properties held as investments were revalued at 30 June 2003. The properties held as investments were valued by the directors on the basis of open market valuation for existing use.

The historical cost of the investment properties is £1,160,383.

10 Debtors

	2003 £	2002 £
Trade debtors	5,000	2,683
Prepayments and accrued income	1,796	7,276
	<hr/>	<hr/>
	6,796	9,959
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

Opperman Investments Limited

Notes forming part of the financial statements for the year ended 30 June 2003 (Continued)

11 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts (secured - see note 12)	20,000	20,000
Trade creditors	1,390	4,911
Amounts owed to related undertakings	2,893	1,317
Corporation tax	22,340	20,438
Other taxation and social security	1,963	606
Proposed dividend	15,000	15,000
Other creditors	6,786	6,254
Accruals and deferred income	47,044	45,924
	<u>117,416</u>	<u>114,450</u>

12 Creditors: amounts falling due after more than one year

	2003 £	2002 £
Bank loans	95,000	115,000
	<u>95,000</u>	<u>115,000</u>
Maturity of debt:		
	Loans and overdrafts 2003 £	Loans and overdrafts 2002 £
In one year or less, or on demand	20,000	20,000
	<u>20,000</u>	<u>20,000</u>
In more than one year but not more than two years	20,000	20,000
In more than two years but not more than five years	60,000	60,000
In more than five years	15,000	35,000
	<u>95,000</u>	<u>115,000</u>

The interest on the bank loan is 2% above LIBOR and the loan is secured on the property at 14 Market Place, Durham.

Opperman Investments Limited

Notes forming part of the financial statements for the year ended 30 June 2003 (Continued)

13 Share capital

	2003	Authorised	Allotted, called up and fully paid	
	2002	2003	2002	
	£	£	£	£
<i>Equity share capital</i>				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

14 Reserves

	Revaluation reserve	Profit and loss account
	£	£
At 1 July 2002	484,175	932,870
Profit for the year	-	35,463
Revaluation in the year	269,000	-
	<u>753,175</u>	<u>968,333</u>
At 30 June 2003		

Opperman Investments Limited

Notes forming part of the financial statements for the year ended 30 June 2003 (Continued)

15 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Profit for the year	95,463	80,230
Dividends	(60,000)	(60,000)
	<hr/>	<hr/>
Other net recognised gains and losses relating to the year	35,463 269,000	20,230 -
	<hr/>	<hr/>
Net additions to shareholders' funds	304,463	20,230
Opening shareholders' funds	1,427,045	1,406,815
	<hr/>	<hr/>
Closing shareholders' funds	1,731,508	1,427,045
	<hr/>	<hr/>

16 Related party disclosures

Related party transactions and balances

R Davis, T H B Eyles and D A L Eyles are directors in West End & Metropolitan Limited to which management charges of £9,140 (2002 - £7,692) were paid during the year.

All transactions were conducted on an arms length basis and on normal trading terms. £2,893 (2002 - £3,552) remained outstanding at 30 June 2003 and is included within amounts owed to related undertakings.

17 Deferred taxation

	2003 £	2002 £
Unprovided deferred taxation		
Capital allowances	129	181
	<hr/>	<hr/>