

COMPANY REGISTRATION NUMBER 776860

FG PORTER SECURITIES LIMITED

FINANCIAL STATEMENTS

31 MARCH 2004



FG PORTER SECURITIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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FG PORTER SECURITIES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

F. G. Porter
A. F. Hatt

COMPANY SECRETARY

A. F. Hatt

REGISTERED OFFICE

Ashby House
64 High Street
Walton on Thames
Surrey
KT12 1BW

AUDITORS

Menzies
Chartered Accountants
& Registered Auditors
Ashby House
64 High Street
Walton on Thames
Surrey
KT12 1BW

BANKERS

National Westminster Bank plc
149 Church Road
Barnes
London
SW13 9HS

FG PORTER SECURITIES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2004.

PRINCIPAL ACTIVITIES

The company's principal activity during the year comprised that of investment management.

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 31 March 2004	At 1 April 2003
F. G. Porter	1,500	1,500
A. F. Hatt	1,500	1,500

The shares held by A.F. Hatt are held as trustee of the Estate of Mrs E.A. Porter (deceased). F.G. Porter is entitled to the income derived therefrom.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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.

AUDITORS

A resolution to re-appoint Menzies as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

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. F. Hatt
Company Secretary

Approved by the directors on 09/09/2004

FG PORTER SECURITIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FG PORTER SECURITIES LIMITED

YEAR ENDED 31 MARCH 2004

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with 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.

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 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.

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 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Ashby House
64 High Street
Walton on Thames
Surrey
KT12 1BW

3/6/04

Menzies

MENZIES
Chartered Accountants
& Registered Auditors

FG PORTER SECURITIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2004

	Note	2004 £	2003 £
INVESTMENT INCOME		161,907	158,293
Administrative expenses		(84,781)	(83,703)
Other operating income	2	3,536	8,087
OPERATING PROFIT	3	80,662	82,677
Interest receivable		6,471	8,456
Interest payable		(65)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		87,068	91,133
Tax on profit on ordinary activities	4	(278)	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		86,790	91,133
Equity dividends paid		(40,000)	(40,000)
RETAINED PROFIT FOR THE FINANCIAL YEAR		46,790	51,133

The notes on pages 7 to 9 form part of these financial statements.

FG PORTER SECURITIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MARCH 2004

	2004 £	2003 £
Profit for the financial year attributable to the shareholders	86,790	91,133
Unrealised profit/(loss) on investments	722,267	(2,034,277)
Total gains and losses recognised since the last annual report	809,057	(1,943,144)

The notes on pages 7 to 9 form part of these financial statements.

FG PORTER SECURITIES LIMITED

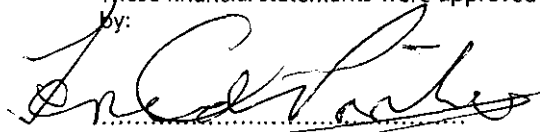
BALANCE SHEET

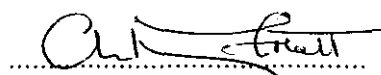
31 MARCH 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Investments	5	4,943,192	3,895,432
CURRENT ASSETS			
Debtors	6	9,814	9,814
Cash at bank		114,539	431,496
		<u>124,353</u>	<u>441,310</u>
CREDITORS: Amounts falling due within one year	7	<u>716,028</u>	<u>773,985</u>
NET CURRENT LIABILITIES		(591,675)	(332,675)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,351,517</u>	<u>3,562,757</u>
CAPITAL AND RESERVES			
Called-up equity share capital	9	3,000	3,000
Share premium account		92,000	92,000
Revaluation reserve	10	3,273,440	2,506,316
Profit and loss account	11	<u>983,077</u>	<u>961,441</u>
SHAREHOLDERS' FUNDS		<u>4,351,517</u>	<u>3,562,757</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 03/03/2004 and are signed on their behalf by:


F G Porter


A F Hatt

The notes on pages 7 to 9 form part of these financial statements.

FG PORTER SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

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, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Consolidation

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.

Investment income

Investment income comprises dividends receivable by the company from listed investments.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

* 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 all 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 recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Listed investments

Listed investments are included in the balance sheet at mid-market value as in the opinion of the directors this results in a more useful statement of the company's affairs.

Surpluses or deficits arising on revaluation are taken to the revaluation reserve.

2. OTHER OPERATING INCOME

	2004 £	2003 £
Profit/(loss) on disposal of investments	3,536	8,087

3. OPERATING PROFIT

Operating profit is stated after charging:

	2004 £	2003 £
Directors' emoluments	60,000	60,000
Auditors' fees	4,850	4,850

FG PORTER SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

4. TAXATION ON ORDINARY ACTIVITIES

	2004 £	2003 £
Foreign tax		
Current tax on income for the year	278	-
Total current tax	278	-

5. INVESTMENTS

	Shares in group undertakings £	Listed Investments £	Total £
COST OR VALUATION			
At 1 April 2003	2,000	3,893,432	3,895,432
Additions	-	313,823	313,823
Disposals	-	(8,033)	(8,033)
Revaluations	-	741,970	741,970
At 31 March 2004	2,000	4,941,192	4,943,192
NET BOOK VALUE			
At 31 March 2004	2,000	4,941,192	4,943,192
At 31 March 2003	2,000	3,893,432	3,895,432

Listed investments

The historical cost of the listed investments amounted to £1,676,543. If the listed investments were sold at their market value, an estimated tax liability of £500,000 would arise.

Subsidiary undertakings and basis of exemption from preparing group accounts

The financial statements present information about F.G. Porter Securities Limited as an individual undertaking and do not include the results of its subsidiary undertakings. The company holds 100% of the ordinary share capital of the following undertakings:

	Aggregate capital and reserves £
Castlebar Property Company Limited	393,367
Lyrie Property Company Limited	278,688

Lyrie Property Company Limited is a wholly owned subsidiary of Castlebar Property Company Limited.

Both subsidiary undertakings were dormant throughout the year.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so.

6. DEBTORS

	2004 £	2003 £
Other debtors	9,814	9,814

FG PORTER SECURITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2004

7. CREDITORS: Amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	671,054	671,054
Other taxation and social security	-	16,770
Other creditors	44,974	86,161
	<u>716,028</u>	<u>773,985</u>

8. RELATED PARTY TRANSACTIONS

At the balance sheet date the amounts due to subsidiary undertakings were Castlebar Property Company Limited: £421,483 and Lyrie Property Company Limited: £249,571. There were no movements during the year.

The director F.G. Porter has a loan account with the company. At the balance sheet date the amount due to him was: £37,110 (2003: £78,297).

9. SHARE CAPITAL

Authorised share capital:

	2004 £	2003 £
3,000 Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>

Allotted, called up and fully paid:

	2004 No	£	2003 No	£
Ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>	<u>3,000</u>

10. REVALUATION RESERVE

	2004 £	2003 £
Balance brought forward	2,506,316	4,731,144
Transfer from/(to) the Profit and Loss Account on realisation	25,154	(190,551)
Revaluation of investments	741,970	(2,034,277)
Balance carried forward	<u>3,273,440</u>	<u>2,506,316</u>

The revaluation reserve represents an unrealised, non-distributable reserve at the balance sheet date.

11. PROFIT AND LOSS ACCOUNT

	2004 £	2003 £
Balance brought forward	961,441	719,757
Retained profit for the financial year	46,790	51,133
Transfer (to)/from revaluation reserve	(25,154)	190,551
Balance carried forward	<u>983,077</u>	<u>961,441</u>

12. CONTROLLING PARTY

The company is controlled by F.G. Porter Esq, a director and sole beneficial shareholder.