

PLEYTHORNE LIMITED

Report and Unaudited Financial Statements

31 March 2003

**Deloitte & Touche LLP
Crawley**



REPORT AND UNAUDITED FINANCIAL STATEMENTS 2003

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DIRECTORS' REPORT

The directors present their annual report and the unaudited financial statements for the year ended 31 March 2003.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be the holding of investment properties.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The market remains competitive. Rental levels recovered following the reletting of a property redeveloped during 2003.

RESULTS AND DIVIDENDS

The results of the company for the year are set out in the profit and loss account on page 3. The position of the company at the year end is shown on page 5

A final dividend is proposed of £300 per ordinary share (2002 - £250 per ordinary share).

REVALUATION OF INVESTMENT PROPERTIES

The properties were revalued by Stiles Harold Williams, Chartered Surveyors, at 31 March 2002. The directors are advised that the value of the properties as stated is not less than their open market value and do not consider that the cost of a valuation this year is justified.

DIRECTORS AND THEIR INTERESTS

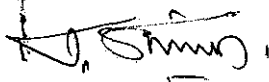
The directors who served during the year and their interest in the issued share capital of the company at the beginning and end of the year were as follows:

		Ordinary shares of £1 each	
		2003	2002
		No	No
A Webber		-	-
M Webber	(appointed 10 th February 2003)	5	-
S A Green	(resigned 31 st October 2002)	-	20
L S Lewis	(appointed 2 nd October 2002)	5	-

The interests of the directors in the shares of the ultimate parent company, Brymore Investments Limited, are disclosed in the accounts of that company.

Approved by the Board of Directors
and signed on behalf of the Board

K Smith
Secretary



12.1.2004

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF PLEYTHORNE LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 2003, which comprise the profit and loss account, the balance sheet, the note of historical cost profits and losses, the *statement of total recognised gains and losses and the related notes 1 to 17* and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

In compiling the accounts it has come to our attention the company's accounting policy for investment properties complies with Statement of Standard Accounting Practice 19 (SSAP 19) *Accounting for investment properties*, which requires that investment properties are revalued annually at open market value. Any surplus or deficit arising from a valuation would increase or decrease, respectively, the amounts shown in the balance sheet for investment properties and revaluation reserve. As stated in note 8 to the financial statements, no revaluation has been concluded this financial year, and therefore the financial statements have not been prepared in accordance with SSAP 19.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants
Crawley

14 January 2004

PROFIT AND LOSS ACCOUNT
Year ended 31 March 2003

	Note	£	2003 £	2002 £
RENTAL INCOME	1		176,309	135,761
Property outgoings			(62,419)	(95,690)
NET PROPERTY INCOME			113,890	40,071
Administrative expenses			(56,430)	(36,946)
Other operating income			15,620	29,398
OPERATING PROFIT			73,080	32,523
Profit on disposal of investment property		48,000	-	-
Other interest receivable and similar income	4	2,524	130	130
Interest payable and similar charges	5	(24,806)	(16,338)	(16,338)
			25,718	(16,208)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2		98,798	16,315
Tax on profit on ordinary activities	6		(40,886)	(3,924)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	15		57,912	12,391
Equity dividends proposed	7,15		(26,100)	(21,750)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR			31,812	(9,359)

The results for both the current and the preceding financial year are derived entirely from the company's continuing operations.

NOTE OF HISTORICAL COST PROFITS AND LOSSES
Year ended 31 March 2003

	2003 £	2002 £
Profit on ordinary activities before taxation	98,798	16,315
Realisation of property valuation gains of prior years	43,100	-
	<u>141,898</u>	<u>16,315</u>
Historical cost profit on ordinary activities before taxation	<u>141,898</u>	<u>16,315</u>
Historical cost profit/(loss) for the year after taxation and dividends	<u>74,912</u>	<u>(9,359)</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 March 2003

	2003 £	2002 £
Profit attributable to members of the company	57,912	12,391
Surplus recognised on revaluation of investment properties	-	424,009
Total recognised gains and losses relating to the year	<u>57,912</u>	<u>436,400</u>

BALANCE SHEET
31 March 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	8	2,147,892	2,158,624
CURRENT ASSETS			
Debtors	9	545	8,621
Cash at bank and in hand		44,792	6,973
		<u>45,337</u>	<u>15,594</u>
CREDITORS: amounts falling due within one year	10	<u>(116,656)</u>	<u>(76,124)</u>
NET CURRENT LIABILITIES		<u>(71,319)</u>	<u>(60,530)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,076,573	2,098,094
CREDITORS: amounts falling due after more than one year	12	<u>(354,167)</u>	<u>(407,500)</u>
TOTAL NET ASSETS		<u>1,722,406</u>	<u>1,690,594</u>
CAPITAL AND RESERVES			
Called up share capital	14	87	87
Revaluation reserve	15	1,492,225	1,535,325
Capital redemption reserve	15	13	13
Profit and loss account	15	230,081	155,169
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>1,722,406</u>	<u>1,690,594</u>

These accounts have not been audited because the company is entitled to the exemption provided by section 249A(1) of the Companies Act 1985 and no notice under section 249B(2) has been deposited at the company's registered office requiring the company to obtain an audit of the accounts.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records that comply with section 221 of the Companies Act 1985. The directors also acknowledge their responsibilities for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

The financial statements were approved by the Board of Directors on 17 Jan 2004.

Signed on behalf of the Board of Director



A Webber
Director

NOTES TO THE ACCOUNTS
Year ended 31 March 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below. Compliance with Statement of Standard Accounting Practice No 19 (SSAP 19) "Accounting for investment properties" requires departure from the requirements of the Companies Act 1985 relating to depreciation and an explanation of the departure is given below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties.

Rental income

Rental income is the amount derived from the letting of investment properties.

Tangible fixed assets and depreciation

Investment properties

In accordance with SSAP 19, investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve. No depreciation is provided in respect of investment properties.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, as these properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Other assets

For all other tangible fixed assets depreciation is calculated to write down their cost to their estimated residual values in four equal annual instalments.

Deferred taxation

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding contract to dispose of these assets.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003 £	2002 £
Profit on ordinary activities before taxation is after charging:		
Depreciation on owned assets	2,054	2,772
Profit on disposal of fixed assets	48,000	-
	<u>50,054</u>	<u>2,772</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no direct employees except for the company secretary and the directors. All staff costs including directors emoluments of all the related companies were paid by Brymore Estates Limited and by Brymore Settled Estates Limited, and subsequently apportioned and recharged to Pleythorne Limited. The total amount recharged was £42,129 (2002 - £21,556).

4. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Interest receivable	2,524	130

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
On bank loans and overdrafts	24,806	16,338

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
Taxation comprises:		
United Kingdom corporation tax at 30% (2002 - 20%) based on the profit for the period	40,891	3,819
Adjustment in respect of prior years	(5)	105
	40,886	3,924

The tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK at 20% (2002 - 20%).

The differences are explained below:

	2003 %	2002 %
Standard tax rate for the period as a percentage of profits	30	20
Effects of:		
Expenses not deductible for tax purposes	1	(6)
Movement in short term timing differences		-
Differences between tax and accounting treatment on disposal	12	9
Marginal relief	(2)	-
Prior period adjustments	-	1
	41	24

Deferred tax has not been provided on revaluations of fixed assets. This tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £245,150 (2002 - £228,770).

NOTES TO THE ACCOUNTS
Year ended 31 March 2003

7. EQUITY DIVIDENDS PROPOSED

	Per Share £	2003 £	Per Share £	2002 £
Proposed final	300	26,100	250	21,750

8. TANGIBLE FIXED ASSETS

	Investment properties £	Fixtures & fittings £	Total £
Cost or valuation			
At 1 April 2002	2,154,000	21,833	2,175,833
Additions	-	897	897
Improvements	34,425	-	34,425
Disposals	(44,000)		(44,000)
At 31 March 2003	2,144,425	22,730	2,167,155
Depreciation			
At 1 April 2002	-	17,209	17,209
Charge for the year	-	2,054	2,054
At 31 March 2003	-	19,263	19,263
Net book value			
At 31 March 2003	2,144,425	3,467	2,147,892
At 31 March 2002	2,154,000	4,624	2,158,624

The properties were revalued at 31 March 2002 at their open market value on the basis of existing use by Stiles Harold Williams, Chartered Surveyors. The directors were advised that the value of properties as stated is not less than their open market value and do not consider that the cost of a revaluation this year is justified.

The historical cost of the investment properties at 31 March 2003 was £652,200 (2002 - £618,675). All other tangible fixed assets are stated at historical cost.

All investment properties are freehold.

The tax liability which would arise if the investment properties were sold at their valuation is disclosed in note 6.

9. DEBTORS

	2003 £	2002 £
Trade debtors	545	3,621
Other debtors	-	5,000
	545	8,621

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

10. SECURED LIABILITIES

The bank loan and bank overdraft are secured by a fixed charge on certain of the company's investment properties.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Bank loans and overdrafts (note 13)	28,333	28,333
Trade creditors	20,744	16,372
Corporation tax	40,891	3,819
Accruals and deferred income	588	5,850
Proposed dividend	26,100	21,750
	<u>116,656</u>	<u>76,124</u>

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

	2003 £	2002 £
Bank loans repayable by instalments (see note 13)	354,167	382,500
Amounts owed to related undertaking	-	25,000
	<u>354,167</u>	<u>407,500</u>

The related undertaking is Lewispel Investments Limited of which Alan Webber and L S Lewis are directors. The loan was interest free with no fixed repayment terms.

13. BORROWINGS

	2003 £	2002 £
Bank loans	382,500	410,833
Other loans	-	25,000
	<u>382,500</u>	<u>435,833</u>
Due within one year	28,333	28,333
Due after more than one year	354,167	407,500
	<u>382,500</u>	<u>435,833</u>
Maturity Profile of Borrowings:		
Bank loan and overdraft		
Within one year or on demand	28,333	28,333
Between one and two years	28,333	53,333
Between two and five years	85,000	85,000
After five years	240,834	269,167
	<u>382,500</u>	<u>435,833</u>

The loan of £425,000 carries interest at 2.25% over the Royal bank of Scotland's base rate and is repayable by quarterly instalments over 15 years.

NOTES TO THE ACCOUNTS
Year ended 31 March 2003

14. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
100 ordinary shares of £1 each	100	100
Called, allotted and fully paid		
87 (2002 - 87) ordinary shares of £1 each	87	87

15. COMBINED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND STATEMENT OF MOVEMENTS ON RESERVES

	Issued share capital £	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £	Total 2001 £	Total 2000 £
At beginning of the year	87	1,535,325	13	155,169	1,690,594	1,275,944
Revaluation in the year	-	-	-	-	-	424,009
Profit for the year	-	-	-	57,912	57,912	12,391
Equity dividends	-	-	-	(26,100)	(26,100)	(21,750)
Transfer of realised profits	-	(43,100)	-	43,100	-	-
At the end of the year	87	1,492,225	13	230,081	1,722,406	1,690,594

16. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company and controlling party is Brymore Investments Limited, a company incorporated in Great Britain and registered in England and Wales. A copy of the accounts of that company can be obtained from the Registrar of Companies, Crown Way, Maindy, Cardiff

17. RELATED PARTY TRANSACTIONS

The only related party transactions are those referred to below and in note 3 and 12.

During the year Brymore Settled Estates Limited recharged certain administrative expenses to the company totalling £12,961 (2002 - £28,144).

During the year Brymore Estates Limited recharged certain administrative expenses to the company totalling £16,627 (2002 - £nil).

During the year Brymore Investments Limited recharged certain administrative expenses to the company totalling £1,359 (2002 - £nil).