

# **Glade Garland Limited**

Financial statements

For the year ended 30 April 2004

Grant Thornton 



**Company No. 1393723**

## Company information

**Company registration number**

1393723

**Registered office**

A. F. Blakemore and Son Limited  
Long Acres Industrial Estate  
Willenhall  
West Midlands  
WV13 2JP

**Directors**

P F Blakemore  
J W Giles

**Secretary**

J W Giles

**Auditors**

Grant Thornton UK LLP  
Chartered Accountants  
Registered Auditors  
Enterprise House  
115 Edmund Street  
Birmingham  
B3 2HJ

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 April 2004.

### Principal activities and business review

The company is principally engaged in property management.

### Results and dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

### The directors and their interests in 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 £0.125 each	
	At 30 April 2004	At 1 May 2003
P F Blakemore	—	—
J W Giles	—	—
	<hr/>	<hr/>

The directors who served the company during the year had no interests in the share capital of the company as it is a wholly-owned subsidiary of A. F. Blakemore and Son Limited. P F Blakemore and J W Giles are also directors of A. F. Blakemore and Son Limited, and their interests in that company's share capital are disclosed in its financial statements.

### 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 and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Auditors**

On 1 July 2004, the Grant Thornton partnership transferred its business to a limited liability partnership, Grant Thornton UK LLP. Under section 26(5) of the Companies Act 1989, the directors consented to extend the audit appointment to Grant Thornton UK LLP from 1 July 2004.

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



J W Giles  
Secretary

22 October 2004

## Report of the independent auditors to the members of Glade Garland Limited

We have audited the financial statements of Glade Garland Limited for the year ended 30 April 2004 which comprise the principal accounting policies, profit and loss account, balance sheet, note of historical cost profits and losses and notes 1 to 18. 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 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 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 report of the directors 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 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 affairs of the company as at 30 April 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
BIRMINGHAM

*22 October 2004*

## Principal accounting policies

### Basis of accounting

The financial statements have been prepared under the historic cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

### Cash flow statement

Under the provisions of Financial Reporting Standard 1 (revised) 'Cash flow statements', the company has not prepared a cash flow statement because its parent undertaking, A. F. Blakemore and Son Limited, has prepared consolidated financial statements which include the results of the company for the period and which are publicly available.

### Turnover

The turnover shown in the profit and loss account comprises rental income received on the leasing of properties, exclusive of Value Added Tax.

### 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:

Freehold buildings                      -     2% straight line basis

The company has taken advantage of the transitional provisions of FRS 15 'Tangible Fixed Assets' and retained the book amounts of certain freehold properties which were revalued prior to implementation of that standard. The properties were last revalued on 25 October 1999 and the valuations have not subsequently been updated.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

No depreciation is charged on freehold land.

### Deferred taxation

Deferred taxation 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 recognised on defined benefit pensions scheme surpluses or losses. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using the rates of tax that have been enacted or substantively be enacted by the balance sheet date.

## Profit and loss account

	Note	2004 £	2003 £
Turnover	1	382,477	305,366
Other operating charges	2	56,250	43,643
<b>Operating profit</b>	3	<b>326,227</b>	<b>261,723</b>
Interest payable and similar charges	5	211,634	174,595
<b>Profit on ordinary activities before taxation</b>		<b>114,593</b>	<b>87,128</b>
Tax on profit on ordinary activities	6	35,460	31,469
<b>Retained profit for the financial year</b>	15	<b>79,133</b>	<b>55,659</b>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year.

## Balance sheet

	Note	2004 £	2003 £
<b>Fixed assets</b>			
Tangible assets	7	<u>4,798,625</u>	<u>4,227,426</u>
<b>Current assets</b>			
Debtors	8	1,437	1,486
Cash at bank		<u>1</u>	<u>1</u>
		1,438	1,487
<b>Creditors: amounts falling due within one year</b>	9	<u>190,122</u>	<u>163,349</u>
<b>Net current liabilities</b>		<u>(188,684)</u>	<u>(161,862)</u>
<b>Total assets less current liabilities</b>		<u>4,609,941</u>	<u>4,065,564</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>4,206,740</u>	<u>3,741,496</u>
		<u>403,201</u>	<u>324,068</u>
<b>Capital and reserves</b>			
Called-up equity share capital	13	100	100
Revaluation reserve	14	147,243	148,761
Profit and loss account	15	255,858	175,207
<b>Shareholders' funds</b>	17	<u>403,201</u>	<u>324,068</u>

These financial statements were approved by the directors on 21 October 2004 and are signed on their behalf by:



J W Giles  
Director

## Other primary statements

### NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2004	2003
	£	£
<b>Profit on ordinary activities before taxation</b>	<b>114,593</b>	87,128
Realisation of gains recognised in previous periods	<u>1,518</u>	<u>1,518</u>
Historical cost profit on ordinary activities before taxation	<u><b>116,111</b></u>	<u>88,646</u>
Historical cost profit for the year		
Retained after taxation and dividends	<u><b>80,651</b></u>	<u>57,177</u>

## Notes to the financial statements

### 1 Turnover

The turnover and profit before tax are attributable to the one principle activity of the company derived in the UK.

### 2 Other operating income and charges

	2004 £	2003 £
Administrative expenses	<u>56,250</u>	<u>43,643</u>

### 3 Operating profit

Operating profit is stated after charging:

	2004 £	2003 £
Depreciation of owned fixed assets	49,213	39,330
Auditors' remuneration: Audit fees	<u>4,000</u>	<u>4,000</u>

### 4 Directors and employees

Employee costs in 2004 (being that of directors) are borne by the parent company. The directors of Glade Garland Limited are also directors of the parent company, A. F. Blakemore and Son Limited and it is not practical to determine the proportions of such emoluments which are attributable to the directors' services to the company. However, the total amounts paid to the directors of A. F. Blakemore and Son Limited are taken account of in the disclosure of the directors' emoluments in the financial statements of A. F. Blakemore and Son Limited, the parent company.

### 5 Interest payable and similar charges

	2004 £	2003 £
Interest payable on bank borrowing	45	40
Interest payable to group companies	140,546	98,260
Mortgage interest	<u>71,043</u>	<u>76,295</u>
	<u>211,634</u>	<u>174,595</u>

**6 Taxation on ordinary activities**

(a) Analysis of charge in the year

	2004 £	2003 £
Current tax:		
UK Corporation tax based on the results for the year at 30% (2003 - 30%)	49,142	32,987
(Over)/under provision in prior year	(13,682)	(1,518)
Total current tax	<u>35,460</u>	<u>31,469</u>

(b) Factors affecting current tax charge

The difference between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>114,593</u>	<u>87,128</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	34,378	26,138
Expenses not deductible for tax purposes	14,764	11,622
Adjustments to tax charge in respect of previous periods	(13,682)	(1,518)
Marginal relief	—	(4,773)
Total current tax (note 7(a))	<u>35,460</u>	<u>31,469</u>

There was no deferred tax liability or credit at 30 April 2004 or 30 April 2003.

**7 Tangible fixed assets**

	Land & Buildings £
Cost or valuation	
At 1 May 2003	4,298,930
Additions	620,412
At 30 April 2004	<u>4,919,342</u>
Depreciation	
At 1 May 2003	71,504
Charge for the year	49,213
At 30 April 2004	<u>120,717</u>
Net book value	
At 30 April 2004	<u>4,798,625</u>
At 30 April 2003	<u>4,227,426</u>

Freehold land amounting to £2,459,671 (2003: £2,149,465) has not been depreciated.

Freehold land and buildings were professionally revalued on an open market basis on 25 October 1999 by independent professional valuers, George Walker and Co, with subsequent additions at cost as follows:

	£
Valuation	180,000
Cost	4,739,342
	<u>4,919,342</u>

If freehold land and buildings had not been revalued, they would have been included in the financial statements at £28,083 (2003: £28,083).

**8 Debtors**

	2004 £	2003 £
Other debtors	—	193
Prepayments and accrued income	<u>1,437</u>	<u>1,293</u>
	<u>1,437</u>	<u>1,486</u>

**9 Creditors: amounts falling due within one year**

	2004 £	2003 £
Bank loan (see note 10)	76,016	74,364
Amounts owed to group undertakings	60,964	51,768
Corporation tax	49,142	33,217
Accruals and deferred income	4,000	4,000
	<u>190,122</u>	<u>163,349</u>

**10 Creditors: amounts falling due after more than one year**

	2004 £	2003 £
Bank loan	1,258,882	1,335,498
Amounts owed to group undertakings	2,947,858	2,405,998
	<u>4,206,740</u>	<u>3,741,496</u>

Amounts due to the group undertakings are payable to the ultimate parent company, A. F. Blakemore and Son Limited. The ultimate parent company has confirmed that no payment will be sought until the company has sufficient funds to make such payment.

The bank loan is repayable by monthly instalments, bearing interest at a rate of 1.25% per annum above LIBOR and is secured on mortgaged properties.

**11 Borrowings**

	2004 £	2003 £
Within one year		
Bank loan	76,016	74,364
After one and within two years		
Bank loan	80,548	78,291
In more than two years but not more than five years		
Bank loan	271,618	260,455
In more than five years		
Bank loan	906,716	996,752
	<u>1,334,898</u>	<u>1,409,862</u>

**12 Related party transactions**

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

### 13 Share capital

Authorised share capital:

	2004	2003
	£	£
800 Ordinary shares of £0.125 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £0.125 each	<u>800</u>	<u>100</u>	<u>800</u>	<u>100</u>

### 14 Revaluation reserve

	2004	2003
	£	£
Balance brought forward	148,761	150,279
Transfer to the profit and loss account	(1,518)	(1,518)
Balance carried forward	<u>147,243</u>	<u>148,761</u>

### 15 Profit and loss account

	2004	2003
	£	£
Balance brought forward	175,207	118,030
Retained profit for the financial year	79,133	55,659
Transfer from the revaluation reserve	1,518	1,518
Balance carried forward	<u>255,858</u>	<u>175,207</u>

### 16 Reconciliation of movements in shareholders' funds

	2004	2003
	£	£
Profit for the financial year	79,133	55,659
Opening shareholders' equity funds	<u>324,068</u>	<u>268,409</u>
Closing shareholders' equity funds	<u>403,201</u>	<u>324,068</u>

### 17 Guarantees and other financial commitments

a) Capital commitments

There were no capital commitments for the year ended 2004 (2003: nil).

b) Debentures

The bank overdrafts of the A. F. Blakemore and Son Limited group, totalling £12,065,000 (2003: £12,950,000), are secured by an unlimited debenture over the assets of the group, which includes the assets of Glade Garland Limited.

**18 Ultimate parent undertaking and ultimate controlling party**

The directors consider that the ultimate parent undertaking of this company is A. F. Blakemore and Son Limited, incorporated in England and Wales.

The majority shareholding in A. F. Blakemore and Son Limited is held by P F Blakemore, who is effectively the ultimate controlling party.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by A. F. Blakemore and Son Limited incorporated in England and Wales. Copies of the group accounts can be obtained from A. F. Blakemore and Son Limited, Long Acre Industrial Estate, Rosehill, Willenhall, West Midlands, WV13 2JP.