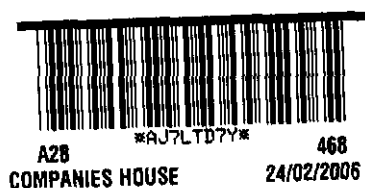


Glade Garland Limited
Financial statements
For the year ended 30 April 2005

Grant Thornton 



Company No. 1393723

Company information

Company registration number	1393723
Registered office	c/o A. F. Blakemore and Son Limited Long Acre 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

Index

Report of the directors	3 - 4
Report of the independent auditors	5 - 6
Principal accounting policies	7
Profit and loss account	8
Balance sheet	9
Other primary statements	10
Notes to the financial statements	11 - 15

Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 April 2005.

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 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 £0.125 each	
	At 30 April 2005	At 1 May 2004
P F Blakemore	—	—
J W Giles	—	—

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

United Kingdom 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

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

A handwritten signature in black ink, appearing to read 'J W Giles', written over a horizontal line.

J W Giles
Secretary
21 December 2005

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 2005 which comprise the principal accounting policies, profit and loss account, balance sheet, note of historical cost profits and losses and notes 1 to 20. 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 report of the directors 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 report of the directors 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.

Grant Thornton 

Report of the independent auditors to the members of Glade Garland Limited (continued)

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 2005 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
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS
BIRMINGHAM
21 December 2005

Principal 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 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 Property - 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 tax 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 assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

Profit and loss account

	Note	2005 £	2004 £
Turnover	1	446,593	382,477
Other operating charges	2	70,083	56,250
Operating profit	3	376,510	326,227
Interest payable and similar charges	5	262,647	211,634
Profit on ordinary activities before taxation		113,863	114,593
Tax on profit on ordinary activities	6	31,117	35,460
Retained profit for the financial year	16	82,746	79,133

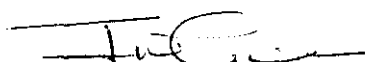
All of the activities of the company are classed as continuing.

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

Balance sheet

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	7	<u>6,319,466</u>	<u>4,798,625</u>
Current assets			
Debtors	8	1,469	1,437
Cash at bank		<u>1</u>	<u>1</u>
		1,470	1,438
Creditors: amounts falling due within one year	9	<u>212,003</u>	<u>190,122</u>
Net current liabilities		<u>(210,533)</u>	<u>(188,684)</u>
Total assets less current liabilities		<u>6,108,933</u>	<u>4,609,941</u>
Creditors: amounts falling due after more than one year	10	<u>5,622,986</u>	<u>4,206,740</u>
		<u>485,947</u>	<u>403,201</u>
Capital and reserves			
Called-up equity share capital	14	100	100
Revaluation reserve	15	145,725	147,243
Profit and loss account	16	<u>340,122</u>	<u>255,858</u>
Shareholders' funds	17	<u>485,947</u>	<u>403,201</u>

These financial statements were approved by the directors on 21 December 2005 and are signed on their behalf by:



J W Giles

Other primary statements

Note of historical cost profits and losses

	2005	2004
	£	£
Profit on ordinary activities before taxation	113,863	114,593
Realisation of gains recognised in previous periods	1,518	1,518
Historical cost profit on ordinary activities before taxation	<u>115,381</u>	<u>116,111</u>
Historical cost profit for the year		
Retained after taxation and dividends	<u>84,264</u>	<u>80,651</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

	2005	2004
	£	£
Administrative expenses	<u>70,083</u>	<u>56,250</u>

3 Operating profit

Operating profit is stated after charging:

	2005	2004
	£	£
Depreciation of owned fixed assets	60,372	49,213
Auditors' remuneration:		
Audit fees	<u>3,996</u>	<u>4,000</u>

4 Directors and employees

Employee costs in 2005 (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

	2005	2004
	£	£
Interest payable on bank borrowing	3,825	45
Interest payable to group companies	151,912	140,546
Mortgage interest	<u>106,910</u>	<u>71,043</u>
	<u>262,647</u>	<u>211,634</u>

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2004 - 30%)	11,402	49,142
Group relief	22,086	-
Over provision in prior year	(2,371)	(13,682)
Total current tax	<u>31,117</u>	<u>35,460</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 19% (2004 - 30%).

	2005 £	2004 £
Profit on ordinary activities before taxation	<u>113,863</u>	<u>114,593</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2004: 30%)	21,634	34,378
Expenses not deductible for tax purposes	11,854	14,764
Adjustments to tax in respect of prior periods	(2,371)	(13,682)
Total current tax (note 6(a))	<u>31,117</u>	<u>35,460</u>

There was no deferred tax liability or credit at 30 April 2005 or 30 April 2004.

7 Tangible fixed assets

	Freehold Property £
Cost or valuation	
At 1 May 2004	4,919,342
Additions	1,581,213
At 30 April 2005	<u>6,500,555</u>
Depreciation	
At 1 May 2004	120,717
Charge for the year	60,372
At 30 April 2005	<u>181,089</u>
Net book value	
At 30 April 2005	<u>6,319,466</u>
At 30 April 2004	<u>4,798,625</u>

Freehold land amounting to £2,643,777 (2004: £2,459,671) 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	6,320,555
	<u>6,500,555</u>

If freehold land and buildings had not been revalued, they would have been included in the financial statements at £28,083 (2004: £28,083).

8 Debtors

	2005 £	2004 £
Prepayments and accrued income	<u>1,469</u>	<u>1,437</u>

9 Creditors: amounts falling due within one year

	2005 £	2004 £
Bank loans (see note 10)	100,880	76,016
Amounts owed to group undertakings	91,922	60,964
Corporation tax	11,402	49,142
Accruals and deferred income	7,799	4,000
	<u>212,003</u>	<u>190,122</u>

10 Creditors: amounts falling due after more than one year

	2005 £	2004 £
Bank loans	1,628,934	1,258,882
Amounts owed to group undertakings	3,994,052	2,947,858
	<u>5,622,986</u>	<u>4,206,740</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 Nationwide loan is repayable by monthly instalments, bearing interest at a rate of 1.25% per annum above LIBOR and is secured on mortgaged properties.

The HSBC loan is repayable by monthly instalments, bearing interest at a rate of 1.125% per annum above the bank's base rate and is secured on mortgaged properties.

11 **Contingent liabilities**

The bank overdrafts of the A. F. Blakemore and Son Limited group totalling £Nil (2004: £12,065,000), are secured by an unlimited debenture over the assets of the group, which includes the assets of Glade Garland Limited.

12 **Borrowings**

	2005 £	2004 £
Within one year		
Bank loans	100,880	76,016
After one and within two years		
Bank loans	107,353	80,548
In more than two years but not more than five years		
Bank loans	365,182	271,618
In more than five years		
Bank loans	1,156,399	906,716
	<u>1,729,814</u>	<u>1,334,898</u>

13 **Related party transactions**

Under the provisions of Financial Reporting Standard 8 'Related party disclosures' transactions with group members are not disclosed as 100% of the voting rights are controlled within the group and consolidated financial statements are publicly available.

14 **Share capital**

Authorised share capital:

	2005 £	2004 £
800 Ordinary shares of £0.125 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £0.125 each	<u>800</u>	<u>100</u>	<u>800</u>	<u>100</u>

15 **Revaluation reserve**

	2005 £	2004 £
Balance brought forward	147,243	148,761
Transfer to the profit and loss account	(1,518)	(1,518)
Balance carried forward	<u>145,725</u>	<u>147,243</u>

16 Profit and loss account

	2005	2004
	£	£
Balance brought forward	255,858	175,207
Retained profit for the financial year	82,746	79,133
Transfer from revaluation reserve	1,518	1,518
Balance carried forward	<u>340,122</u>	<u>255,858</u>

17 Reconciliation of movements in shareholders' funds

	2005	2004
	£	£
Profit for the financial year	82,746	79,133
Opening shareholders' equity funds	403,201	324,068
Closing shareholders' equity funds	<u>485,947</u>	<u>403,201</u>

18 Pensions

The company has not operated, or contributed to any pension scheme on behalf of its employees.

19 Capital commitments

The directors have confirmed that there were no capital commitments at 30 April 2005 or 30 April 2004.

20 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 largest 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.