

COMPANY REGISTRATION NUMBER 1855044

KELLORAN LIMITED
FINANCIAL STATEMENTS

30 APRIL 2003



KEENS SHAY KEENS
MILTON KEYNES

KELLORAN LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2003

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KELLORAN LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Board of directors

Mr C D Billows
Mrs S J Buckley

Company secretary

Mrs S J Buckley

Registered office

Unit 11
Bridgeturn Avenue
Wolverton
Milton Keynes
MK15 5QL

Auditors

Keens Shay Keens -Milton Keynes-
Sovereign Court
230 Upper 5th Street
Central Milton Keynes
MK9 2HR

Bankers

Lloyds TSB Bank Plc
Milton Keynes

KELLORAN LIMITED

DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 April 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of letting industrial and residential premises.

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 £1 each	
	At	At
	30 April 2003	1 May 2002
Mr C D Billows	1	1
Mrs S J Buckley	<u>1</u>	<u>1</u>

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 9, 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

The Auditors, Keens Shay Keens -Milton Keynes-, have indicated that they are willing to be reappointed.

KELLORAN LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 APRIL 2003

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

Andrea Buckley

MRS S J BUCKLEY
Company Secretary

Approved by the directors on 6/02/04

KELLORAN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 30 APRIL 2003

We have audited the financial statements on pages 6 to 13 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets and the accounting policies set out on page 9.

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.

KELLORAN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 30 APRIL 2003

OPINION

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



KEENS SHAY KEENS -MILTON KEYNES-
Chartered Accountants
& Registered Auditors

Sovereign Court
230 Upper 5th Street
Central Milton Keynes
MK9 2HR

9/2/04

KELLORAN LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 2003

	Note	2003 £	2002 £
TURNOVER	2	139,557	119,010
Administrative expenses		(7,362)	(6,560)
OPERATING PROFIT	3	132,195	112,450
Interest receivable and similar income	4	2,128	5,095
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		134,323	117,545
Tax on profit on ordinary activities	5	(22,044)	(22,166)
RETAINED PROFIT FOR THE FINANCIAL YEAR		<u>112,279</u>	<u>95,379</u>

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

The notes on pages 9 to 13 form part of these financial statements.

KELLORAN LIMITED**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****YEAR ENDED 30 APRIL 2003**

	2003	2002
	£	£
Profit for the financial year attributable to the shareholders	112,279	95,379
Unrealised profit on investment properties	<u>174,698</u>	<u>415,000</u>
Total gains and losses recognised since the last annual report	<u>286,977</u>	<u>510,379</u>

The notes on pages 9 to 13 form part of these financial statements.

KELLORAN LIMITED

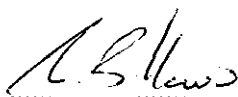
BALANCE SHEET

YEAR ENDED 30 APRIL 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Investments	6	1,557,761	1,185,302
CURRENT ASSETS			
Debtors	7	1,350	1,065
Cash at bank		<u>62,486</u>	<u>146,507</u>
		63,836	147,572
CREDITORS: Amounts falling due within one year	8	<u>25,354</u>	<u>23,608</u>
NET CURRENT ASSETS		38,482	123,964
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,596,243</u>	<u>1,309,266</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	2	2
Revaluation reserve	12	898,606	723,908
Profit and loss account		<u>697,635</u>	<u>585,356</u>
SHAREHOLDERS' FUNDS	14	<u>1,596,243</u>	<u>1,309,266</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 6/2/04 and are signed on their behalf by:



MR C D BILLOWS

The notes on pages 9 to 13 form part of these financial statements.

KELLORAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2003

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.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

2. TURNOVER

The turnover and operating profit for the period was derived from the company's principal activity and was carried out wholly in the UK.

KELLORAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2003

3. OPERATING PROFIT

Operating profit is stated after charging:

	2003 £	2002 £
Auditors' fees	<u>1,200</u>	<u>—</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £	2002 £
Bank interest receivable	2,128	1,754
Other similar income receivable	—	3,341
	<u>2,128</u>	<u>5,095</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2002 - 19.90%)	22,508	22,168
Over/under provision in prior year	(464)	(2)
Total current tax	<u>22,044</u>	<u>22,166</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2002 - 19.90%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>134,323</u>	<u>117,545</u>
Profit/(loss) on ord actvs by rate of tax	25,521	23,391
Capital allowances	(3,013)	(1,714)
Prior year adjustment	(464)	489
Total current tax (note 5(a))	<u>22,044</u>	<u>22,166</u>

KELLORAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2003

6. INVESTMENTS

	Freehold Investment Property £
Cost	
Balance brought forward	1,185,302
Revaluation	174,698
Additions	197,761
Balance carried forward	<u>1,557,761</u>
Amounts provided	
Balance carried forward	<u>—</u>
Net book value	
Balance brought forward	<u>1,557,761</u>
Net book value	
Balance brought forward	<u>1,185,302</u>

During the year the company transferred unit 5 Bridgeturn Avenue, Wolverton at the open market value. The residential properties were valued at £266,500. A valuation survey was undertaken by the directors and the open market valuations of the properties were £441,197. The excess of the valuation £174,697 is held within the revaluation reserve.

7. DEBTORS

	2003 £	2002 £
Trade debtors	55	555
Other debtors	1,295	510
	<u>1,350</u>	<u>1,065</u>

8. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Corporation tax	22,508	22,168
Other creditors	2,846	1,440
	<u>25,354</u>	<u>23,608</u>

9. CONTROLLING INTEREST

The company is controlled by Mr C D Billows and Mrs S J Buckley, who are directors of the company.

KELLORAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2003

10. RELATED PARTY TRANSACTIONS

Details of related party transactions occurring during the year are as follows:

Name of related party	Nature of relationship	Transaction Details	Amount £	Balance £
Billows Protocol Limited	Common control	Rent Received	96,000	
		Property purchase	197,761	

11. SHARE CAPITAL

Authorised share capital:

	2003 £	2002 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2003 No	£	2002 No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

12. REVALUATION RESERVE

	2003 £	2002 £
Balance brought forward	723,908	308,908
Revaluation of fixed assets	<u>174,698</u>	<u>415,000</u>
Balance carried forward	<u>898,606</u>	<u>723,908</u>

13. PROFIT AND LOSS ACCOUNT

	2003 £	2002 £
Balance brought forward	585,356	489,977
Retained profit for the financial year	<u>112,279</u>	<u>95,379</u>
Balance carried forward	<u>697,635</u>	<u>585,356</u>

KELLORAN LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2003

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	112,279	95,379
Other net recognised gains and losses	174,698	415,000
Net addition to funds	286,977	510,379
Opening shareholders' equity funds	1,309,266	798,887
Closing shareholders' equity funds	<u>1,596,243</u>	<u>1,309,266</u>