




Gerald Edelman

 Chartered Accountants

Company Registration No 02436003 (England and Wales)

ATMORE INVESTMENTS LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2011

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investment business activities by the
Institute of Chartered Accountants
in England and Wales

ATMORE INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	M Grodner A Snowball D J Grodner
Secretary	D J Grodner
Company number	02436003
Registered office	St John's House Two Queen Square Liverpool L1 1RH
Auditors	Gerald Edelman 25 Harley Street London W1G 9BR
Business address	St John's House Two Queen Square Liverpool L1 1RH

ATMORE INVESTMENTS LIMITED

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ATMORE INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and financial statements for the year ended 31 March 2011

Principal activities and review of the business

The principal activity of the company continued to be that of property investment

A review of the group's business during the period and information relating to its financial and other instruments are given in the consolidated financial statements of the holding company, Atmore Properties Plc

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office since 1 April 2010

M Grodner
A Snowball
D J Grodner

Auditors

In accordance with the current statutory provisions, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

ATMORE INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



A Snowball

Director

26 September 2011

ATMORE INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ATMORE INVESTMENTS LIMITED

We have audited the financial statements of Atmore Investments Limited for the year ended 31 March 2011 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ATMORE INVESTMENTS LIMITED

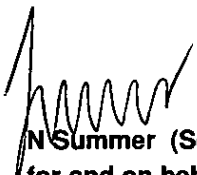
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF ATMORE INVESTMENTS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



N Summer (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

26 September 2011

Chartered Accountants
Statutory Auditor

25 Harley Street
London
W1G 9BR

ATMORE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 £
Turnover	2	1,251,503	1,213,594
Administrative expenses		(550,206)	(455,772)
Operating profit	3	701,297	757,822
Other interest receivable and similar income	4	-	8,233
Interest payable and similar charges	5	(143,328)	(171,441)
Profit on ordinary activities before taxation		557,969	594,614
Tax on profit on ordinary activities	6	(154,663)	(167,752)
Profit for the year	13	403,306	426,862

The profit and loss account has been prepared on the basis that all operations are continuing operations

ATMORE INVESTMENTS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
Profit for the financial year	403,306	426,862
Unrealised deficit on revaluation of properties	<u>(889,787)</u>	<u>-</u>
Total recognised gains and losses relating to the year	<u>(486,481)</u>	<u>426,862</u>

ATMORE INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	7	13,395,000		14,409,944	
Current assets					
Debtors	8	5,294,749		4,943,819	
Cash at bank and in hand		363,755		288,618	
		5,658,504		5,232,437	
Creditors: amounts falling due within one year	9	(5,155,933)		(4,799,238)	
Net current assets		502,571		433,199	
Total assets less current liabilities		13,897,571		14,843,143	
Creditors: amounts falling due after more than one year	10	(5,599,134)		(6,058,225)	
Provisions for liabilities	11	(160,546)		(160,546)	
		8,137,891		8,624,372	
Capital and reserves					
Called up share capital	12	100		100	
Revaluation reserve	13	4,190,258		5,080,045	
Profit and loss account	13	3,947,533		3,544,227	
Shareholders' funds	14	8,137,891		8,624,372	

Approved by the Board and authorised for issue on 26 September 2011



A Snowball
Director

Company Registration No. 02436003

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold and long leasehold land and buildings

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents gross rents receivable and other property related income

1.4 Investment properties

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the directors compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been charged cannot be separately identified or quantified

1.5 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

No provision is made for the potential liability to the taxation which would arise in the event of the realisation of the investment property held at the balance sheet date at the amount at which it is stated in the financial statements. If the investment property was disposed of the taxation liability could amount to approximately £370,000 (2010 - £500,000)

1.6 Loan issue costs

In accordance with FRS 4 ("Capital Instruments") loan are included in the financial statements net of issue costs, which are amortised over the life of the loan

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

3	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Cost of acquiring finance	3,423	3,423
	Auditors' remuneration	10,885	10,885
		<u> </u>	<u> </u>
4	Investment income	2011	2010
		£	£
	Other interest	-	8,233
		<u> </u>	<u> </u>
5	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	142,032	171,441
	Other interest	1,296	-
		<u> </u>	<u> </u>
		<u>143,328</u>	<u>171,441</u>

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

6	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	154,663	167,597
	Adjustment for prior years	-	155
		<u>154,663</u>	<u>167,752</u>
	Total current tax	<u>154,663</u>	<u>167,752</u>
	 Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>557,969</u>	<u>594,614</u>
	 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 28.00%)	<u>156,231</u>	<u>166,492</u>
	 Effects of		
	Non deductible expenses	-	3,066
	Capital allowances	(1,568)	(1,961)
	Adjustments to previous periods	-	155
		<u>(1,568)</u>	<u>1,260</u>
	 Current tax charge for the year	<u>154,663</u>	<u>167,752</u>

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

7 Tangible fixed assets

	Freehold investment property £	Long leasehold investment property £	Total £
Cost or valuation			
At 1 April 2010	11,811,944	2,598,000	14,409,944
Additions	4,133	-	4,133
Revaluation	(393,787)	(496,000)	(889,787)
Reclassification	(129,290)	-	(129,290)
	<u>11,293,000</u>	<u>2,102,000</u>	<u>13,395,000</u>
Net book value			
At 31 March 2011	<u>11,293,000</u>	<u>2,102,000</u>	<u>13,395,000</u>
At 31 March 2010	<u>11,811,944</u>	<u>2,598,000</u>	<u>14,409,944</u>

The company's properties have been valued by the directors on an open market basis as at 31 March 2011. The historical cost of the investment properties at 31 March 2011 was approximately £9,200,000 (2010 £9,300,000).

8 Debtors

	2011 £	2010 £
Trade debtors	147,613	127,295
Amounts owed by fellow subsidiary undertakings	5,107,285	4,816,524
Prepayments and accrued income	39,851	-
	<u>5,294,749</u>	<u>4,943,819</u>

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

9 Creditors: amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts (note 10)	376,546	230,607
Trade creditors	49,427	26,913
Amounts owed to parent and fellow subsidiary undertakings	3,896,499	3,811,920
Corporation tax	134,663	147,597
Other taxes and social security costs	49,388	6,301
Other creditors	110	110
Accruals and deferred income	649,300	575,790
	<u>5,155,933</u>	<u>4,799,238</u>

10 Creditors amounts falling due after more than one year	2011 £	2010 £
Bank loans	5,632,508	6,095,022
Less Unamortised finance costs	(33,374)	(36,797)
	<u>5,599,134</u>	<u>6,058,225</u>

Loan maturity analysis

Between one and two years	342,631	233,942
Between two and five years	735,046	722,385
In five years or more	<u>4,554,831</u>	<u>5,138,695</u>

The bank loans and overdrafts are secured by a fixed charge over the company's investment properties and a floating charge over the remaining assets of the company

11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2010 & at 31 March 2011	<u>160,546</u>

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	<u>160,546</u>	<u>160,546</u>

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

12 Share capital	2011	2010
	£	£
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

13 Statement of movements on reserves	Revaluation reserve	Profit and loss account
	£	£
Balance at 1 April 2010	5,080,045	3,544,227
Profit for the year	-	403,306
Revaluation during the year	(889,787)	-
Balance at 31 March 2011	4,190,258	3,947,533

14 Reconciliation of movements in shareholders' funds	2011	2010
	£	£
Profit for the financial year	403,306	426,862
Other recognised gains and losses	(889,787)	-
Net (depletion in)/addition to shareholders' funds	(486,481)	426,862
Opening shareholders' funds	8,624,372	8,197,510
Closing shareholders' funds	8,137,891	8,624,372

15 Contingent liabilities

The company has given guarantees and charges over its properties in favour of other group companies in support of certain borrowings of those companies. At the balance sheet date the amount outstanding under these borrowings was approximately £66 million.

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

16 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Administrative	5	5
Employment costs	2011 £	2010 £
Wages and salaries	68,977	62,316
Social security costs	7,453	6,624
	76,430	68,940

17 Control

The ultimate parent company is Atmore Properties plc, a company registered in England and Wales, and is controlled by Mr M Grodner and Mrs D J Grodner and their family interests

Atmore Properties Plc prepares group financial statements and copies can be obtained from its registered office at St John's House, Two Queen Square, Liverpool, L1 1RH

18 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company