




Gerald Edelman

 Chartered Accountants

Company Registration No. 2436003 (England and Wales)

ATMORE INVESTMENTS LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2009

TUESDAY



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Registered to carry on audit work
and regulated for a range of
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
P R Owen

(Appointed 16 March 2009 and
resigned 11 August 2009)

Secretary

D J Grodner

Company number

2436003

Registered office

St John's House
Two Squeen Square
Liverpool
L1 3EU

Auditors

Gerald Edelman
25 Harley Street
London
W1G 9BR

Business address

St John's House
Two Queen Square
Liverpool
L1 3EU

ATMORE INVESTMENTS LIMITED

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ATMORE INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report and financial statements for the year ended 31 March 2009.

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 2008:

M Grodner
A Snowball
D J Grodner
P R Owen

(Appointed 16 March 2009 and resigned 11 August 2009)

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 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). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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 2009

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



M Grodner
Director

30 October 2009

ATMORE INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF ATMORE INVESTMENTS LIMITED

We have audited the financial statements of Atmore Investments Limited for the year ended 31 March 2009 set out on pages 5 to 14. 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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

ATMORE INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF ATMORE INVESTMENTS LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



Gerald Edelman

30 October 2009

**Chartered Accountants
Registered Auditor**

25 Harley Street
London
W1G 9BR

ATMORE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 £	2008 £
Turnover	2	1,497,809	1,345,145
Administrative expenses		(625,396)	(193,733)
Operating profit	3	872,413	1,151,412
Interest payable and similar charges	4	(411,438)	(463,464)
Profit on ordinary activities before taxation		460,975	687,948
Tax on profit on ordinary activities	5	(73,171)	-
Profit for the year	12	387,804	687,948

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 2009

	2009 £	2008 £
Profit for the financial year	387,804	687,948
Unrealised deficit on revaluation of properties	(1,826,500)	(1,316,500)
Total recognised gains and losses relating to the year	<u>(1,438,696)</u>	<u>(628,552)</u>

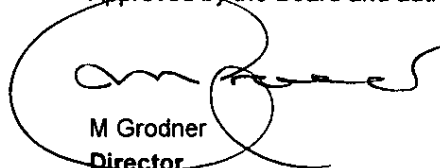
ATMORE INVESTMENTS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	2009 £	£	2008 £	£
Fixed assets					
Tangible assets	6	14,188,001		16,014,501	
Current assets					
Debtors	7	4,764,798		4,453,891	
Cash at bank and in hand		273,673		308,504	
		<u>5,038,471</u>		<u>4,762,395</u>	
Creditors: amounts falling due within one year	8	<u>(4,503,234)</u>		<u>(4,498,605)</u>	
Net current assets		<u>535,237</u>		<u>263,790</u>	
Total assets less current liabilities		<u>14,723,238</u>		<u>16,278,291</u>	
Creditors: amounts falling due after more than one year	9	(6,365,182)		(6,481,539)	
Provisions for liabilities	10	<u>(160,546)</u>		<u>(160,546)</u>	
		<u>8,197,510</u>		<u>9,636,206</u>	
Capital and reserves					
Called up share capital	11	100		100	
Revaluation reserve	12	5,080,045		6,906,545	
Profit and loss account	12	<u>3,117,365</u>		<u>2,729,561</u>	
Shareholders' funds	13	<u>8,197,510</u>		<u>9,636,206</u>	

Approved by the Board and authorised for issue on 30 October 2009


M Grodner
Director

Company Registration No. 2436003

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

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 property

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 1985 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 £600,000 (2008 - £910,000).

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 2009

3	Operating profit	2009	2008
		£	£
	Operating profit is stated after charging:		
	Cost of acquiring finance	3,423	5,439
	Auditors' remuneration	10,385	10,185
		<u> </u>	<u> </u>
4	Interest payable	2009	2008
		£	£
	On bank loans and overdrafts	411,438	463,464
		<u> </u>	<u> </u>
5	Taxation	2009	2008
		£	£
	Domestic current year tax		
	U.K. corporation tax	73,171	-
		<u> </u>	<u> </u>
	Current tax charge	<u>73,171</u>	<u>-</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	460,975	687,948
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2008: 30.00%)	129,073	206,384
		<u> </u>	<u> </u>
	Effects of:		
	Capital allowances	(2,450)	(3,282)
	Group relief	(53,452)	(203,102)
		<u> </u>	<u> </u>
		(55,902)	(206,384)
		<u> </u>	<u> </u>
	Current tax charge	<u>73,171</u>	<u>-</u>

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

6 Tangible fixed assets

	Freehold investment properties	Long leasehold investment properties	Total
	£	£	£
Cost or valuation			
At 1 April 2008	12,984,501	3,030,000	16,014,501
Revaluation	(1,394,500)	(432,000)	(1,826,500)
	<u>11,590,001</u>	<u>2,598,000</u>	<u>14,188,001</u>
At 31 March 2009	11,590,001	2,598,000	14,188,001
Net book value			
At 31 March 2009	<u>11,590,001</u>	<u>2,598,000</u>	<u>14,188,001</u>
At 31 March 2008	<u>12,984,501</u>	<u>3,030,000</u>	<u>16,014,501</u>

The company's properties have been valued by the directors on an open market basis as at 31 March 2009. The historical cost of the investment properties at 31 March 2009 was approximately £9,100,000 (2008 - £9,100,000).

7 Debtors

	2009 £	2008 £
Trade debtors	244,948	82,062
Amounts owed by fellow subsidiary undertakings	4,519,850	4,354,850
Prepayments and accrued income	-	16,979
	<u>4,764,798</u>	<u>4,453,891</u>

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

8	Creditors: amounts falling due within one year	2009 £	2008 £
	Bank loans and overdrafts	131,467	131,466
	Trade creditors	46,407	32,542
	Amounts owed to parent and fellow subsidiary undertakings	3,452,208	3,742,208
	Corporation tax	73,171	-
	Other taxes and social security costs	43,073	58,770
	Other creditors	110	110
	Accruals and deferred income	756,798	533,509
		<u>4,503,234</u>	<u>4,498,605</u>
9	Creditors: amounts falling due after more than one year	2009 £	2008 £
	Bank loans	6,405,402	6,525,182
	Less: Unamortised finance costs	(40,220)	(43,643)
		<u>6,365,182</u>	<u>6,481,539</u>
	Loan maturity analysis		
	Between one and two years	131,467	131,467
	Between two and five years	394,401	394,401
	In five years or more	<u>5,879,534</u>	<u>5,999,314</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.

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

10 Provisions for liabilities

	Deferred tax liability £
Balance at 1 April 2008 & at 31 March 2009	160,546

The deferred tax liability is made up as follows:

	2009 £	2008 £
Accelerated capital allowances	160,546	160,546

11 Share capital

	2009 £	2008 £
Authorised		
1,000 Ordinary Shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary Shares of £1 each	100	100

12 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 April 2008	6,906,545	2,729,561
Profit for the year	-	387,804
Revaluation during the year	(1,826,500)	-
Balance at 31 March 2009	5,080,045	3,117,365

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

13 Reconciliation of movements in shareholders' funds	2009 £	2008 £
Profit for the financial year	387,804	687,948
Other recognised gains and losses	(1,826,500)	(1,316,500)
Net depletion in shareholders' funds	(1,438,696)	(628,552)
Opening shareholders' funds	9,636,206	10,264,758
Closing shareholders' funds	8,197,510	9,636,206

14 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 £65 million.

15 Employees

Number of employees

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

	2009 Number	2008 Number
Administrative	4	4
Employment costs	2009 £	2008 £
Wages and salaries	41,975	47,946
Social security costs	4,743	5,546
	46,718	53,492

16 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.

ATMORE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

17 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.