

**REPORT OF THE DIRECTORS AND  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005  
FOR  
PEARNS PROPERTIES LIMITED**

Hayvenhursts Limited  
Chartered Accountants  
Fairway House  
Links Business Park  
St Mellons, Cardiff  
CF3 0LT



**PEARNS PROPERTIES LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2005**

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**PEARNS PROPERTIES LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 MARCH 2005**

<b>DIRECTORS:</b>	Mrs H K Pearn M J Pearn
<b>SECRETARY:</b>	Mrs H K Pearn
<b>REGISTERED OFFICE:</b>	24 Dan Y Coed Road Cyncoed Cardiff CF2 6NA
<b>REGISTERED NUMBER:</b>	03953102 (England and Wales)
<b>ACCOUNTANTS:</b>	Hayvenhursts Limited Chartered Accountants Fairway House Links Business Park St Mellons, Cardiff CF3 0LT
<b>BANKERS:</b>	Lloyds Bank Plc 27 High Street Cardiff CF1 1QZ
<b>SOLICITORS:</b>	Roger E.L. Thomas & Co., 22 Station Road Ystradgynlais Swansea SA9 1NT

**PEARNS PROPERTIES LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2005**

The directors present their report with the financial statements of the company for the year ended 31 March 2005.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of Letting Residential Property.

**DIRECTORS**

The directors during the year under review were:

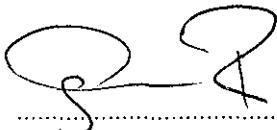
Mrs H K Pearn  
M J Pearn

The beneficial interests of the directors holding office on 31 March 2005 in the issued share capital of the company were as follows:

	31.3.05	1.4.04
<b>Ordinary Shares £1 shares</b>		
Mrs H K Pearn	1	1
M J Pearn	1	1

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**ON BEHALF OF THE BOARD:**



.....  
M J Pearn - Director

Date: .....

**PEARNS PROPERTIES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2005**

		2005	2004
	Notes	£	£
<b>TURNOVER</b>	2	153,065	123,665
Administrative expenses		76,318	23,110
		76,747	100,555
Other operating income		11,391	-
<b>OPERATING PROFIT</b>	3	88,138	100,555
Interest receivable and similar income		-	165
		88,138	100,720
Interest payable and similar charges		125,416	103,204
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(37,278)	(2,484)
Tax on loss on ordinary activities	4	-	4,033
<b>LOSS FOR THE FINANCIAL YEAR AFTER TAXATION</b>		(37,278)	(6,517)
Deficit brought forward		(44,200)	(37,683)
<b>DEFICIT CARRIED FORWARD</b>		£(81,478)	£(44,200)

The notes form part of these financial statements

**PEARNS PROPERTIES LIMITED**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 MARCH 2005**

	<u>2005</u>	<u>2004</u>
	£	£
<b>LOSS FOR THE FINANCIAL YEAR</b>	<b>(37,278)</b>	<b>(6,517)</b>
Freehold Land and Buildings revaluation	<u><b>3,355,000</b></u>	<u>-</u>
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<u><u><b>£3,317,722</b></u></u>	<u><u><b>£(6,517)</b></u></u>

The notes form part of these financial statements

**PEARNS PROPERTIES LIMITED**

**BALANCE SHEET  
31 MARCH 2005**

		<b>2005</b>		<b>2004</b>	
	Notes	£	£	£	£
<b>FIXED ASSETS:</b>					
Intangible assets	5		3,840		4,800
Tangible assets	6		3,328,098		1,887,804
			<u>3,331,938</u>		<u>1,892,604</u>
<b>CURRENT ASSETS:</b>					
Debtors	7	8,486		1,240	
Cash at bank		6,778		2,143	
		<u>15,264</u>		<u>3,383</u>	
<b>CREDITORS:</b> Amounts falling due within one year	8	<u>168,120</u>		<u>218,005</u>	
<b>NET CURRENT LIABILITIES:</b>			<u>(152,856)</u>		<u>(214,622)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>3,179,082</u>		<u>1,677,982</u>
<b>CREDITORS:</b> Amounts falling due after more than one year	9		<u>2,004,605</u>		<u>1,722,180</u>
			<u><u>£1,174,477</u></u>		<u><u>£(44,198)</u></u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	10		2		2
Revaluation reserve	11		1,255,953		-
Profit and loss account			<u>(81,478)</u>		<u>(44,200)</u>
<b>SHAREHOLDERS' FUNDS:</b>			<u><u>£1,174,477</u></u>		<u><u>£(44,198)</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 March 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

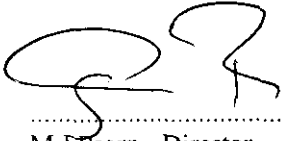
The notes form part of these financial statements

**PEARNS PROPERTIES LIMITED**

**BALANCE SHEET  
31 MARCH 2005**

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**ON BEHALF OF THE BOARD:**



.....  
M J Pearn - Director

Approved by the Board on 26 1 06 .....

The notes form part of these financial statements



**PEARNS PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**Turnover**

Turnover represents rent due.

**Goodwill**

Goodwill, being the amount paid in connection with the acquisition of a business in 0, is being written off evenly over its estimated useful life of nil years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- 2% on cost
Plant and machinery etc	- 33% on cost

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**2. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

**3. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2005 £	2004 £
Depreciation - owned assets	6,654	55,132
Profit on disposal of fixed assets	-	(96,095)
Goodwill written off	960	1,200
Pension costs	-	499
	<u>2,000</u>	<u>833</u>
Directors' emoluments and other benefits etc	<u>2,000</u>	<u>833</u>

**4. TAXATION**

**Analysis of the tax charge**

The tax charge on the loss on ordinary activities for the year was as follows:

	2005 £	2004 £
Current tax:		
UK corporation tax	-	4,033
	<u>-</u>	<u>4,033</u>
Tax on loss on ordinary activities	<u>-</u>	<u>4,033</u>

**PEARNS PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005**

**5. INTANGIBLE FIXED ASSETS**

	<u>Goodwill</u>
	£
<b>COST:</b>	
At 1 April 2004	
and 31 March 2005	<u>7,500</u>
<b>AMORTISATION:</b>	
At 1 April 2004	2,700
Charge for year	<u>960</u>
At 31 March 2005	<u>3,660</u>
<b>NET BOOK VALUE:</b>	
At 31 March 2005	<u>3,840</u>
At 31 March 2004	<u>4,800</u>

**6. TANGIBLE FIXED ASSETS**

	<u>Freehold property</u>	<u>Leasehold property</u>	<u>Fixtures and fittings</u>	<u>Computer equipment</u>	<u>Totals</u>
	£	£	£	£	£
<b>COST OR VALUATION:</b>					
At 1 April 2004	1,902,318	23,384	48,296	1,400	1,975,398
Additions	196,729	-	7,266	-	203,995
Disposals	-	-	(13,000)	-	(13,000)
Surplus on revaluation	1,255,953	-	-	-	1,255,953
At 31 March 2005	<u>3,355,000</u>	<u>23,384</u>	<u>42,562</u>	<u>1,400</u>	<u>3,422,346</u>
<b>DEPRECIATION:</b>					
At 1 April 2004	67,361	-	19,254	979	87,594
Charge for year	-	-	6,515	139	6,654
At 31 March 2005	<u>67,361</u>	<u>-</u>	<u>25,769</u>	<u>1,118</u>	<u>94,248</u>
<b>NET BOOK VALUE:</b>					
At 31 March 2005	<u>3,287,639</u>	<u>23,384</u>	<u>16,793</u>	<u>282</u>	<u>3,328,098</u>
At 31 March 2004	<u>1,834,957</u>	<u>23,384</u>	<u>29,042</u>	<u>421</u>	<u>1,887,804</u>

**PEARNS PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005**

**6. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 March 2005 is represented by:

	<b>Freehold property</b>	<b>Leasehold property</b>	<b>Fixtures and fittings</b>	<b>Computer equipment</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Valuation in 2005	1,255,953	-	-	-	1,255,953
Cost	2,099,047	23,384	42,562	1,400	2,166,393
	<u>3,355,000</u>	<u>23,384</u>	<u>42,562</u>	<u>1,400</u>	<u>3,422,346</u>

If Freehold land and buildings had not been revalued they would have been included at the following historical cost:

	<b>2005 £</b>	<b>2004 £</b>
Cost	<u>2,099,047</u>	<u>-</u>
Value of land in freehold land and buildings	<u>3,355,000</u>	<u>-</u>

**7. DEBTORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<b>2005 £</b>	<b>2004 £</b>
Trade debtors	<u>8,486</u>	<u>1,240</u>

**8. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	<b>2005 £</b>	<b>2004 £</b>
Trade creditors	-	7,396
Directors current accounts	50,094	104,827
Mortgage due within 1 year	112,902	96,873
Taxation	1	4,033
Accrued expenses	5,123	4,876
	<u>168,120</u>	<u>218,005</u>

**PEARNS PROPERTIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2005**

**9. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>2,004,605</b>	<b>1,722,180</b>

**10. CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	<b>2005</b>	<b>2004</b>
			<b>£</b>	<b>£</b>
2	Ordinary Shares	£1	<b>2</b>	<b>2</b>

**11. REVALUATION RESERVE**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Property revaluation reserve	<b>1,255,953</b>	<b>-</b>