

Company Registration No. 04349247 (England and Wales)

GRANTSIDE (DAWDON 111) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2005



A110
COMPANIES HOUSE

ANLNWBG

534
23/12/2005

GRANTSIDE (DAWDON 111) LIMITED

COMPANY INFORMATION

Directors	S G Davis G Taylor
Secretary	S G Davis
Company number	04349247
Registered office	4 Station Business Park Holgate Park Drive YORK YO26 4GB
Auditors	Gardiners, Chartered Accountants Hutton House Sheriff Hutton Industrial Park Sheriff Hutton YORK YO60 6RZ
Business address	4 Station Business Park Holgate Park Drive YORK YO26 4GB
Bankers	Royal Bank of Scotland plc 38 Mosley Street MANCHESTER M60 2BE

GRANTSIDE (DAWDON 111) LIMITED

CONTENTS

	Page
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 14

GRANTSIDE (DAWDON 111) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2005

The directors present their report and financial statements for the year ended 31 March 2005.

Principal activities and review of the business

The principal activity of the company continued to be that of property development.

Results and dividends

The results for the year are set out on pages 4 to 5.

Directors

The following directors have held office since 1 April 2004:

S G Davis
G Taylor

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 March 2005	1 April 2004
S G Davis	50	50
G Taylor	-	-

	Ordinary B of £ 1 each	
	31 March 2005	1 April 2004
S G Davis	-	-
G Taylor	50	50

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gardiners, Chartered Accountants be reappointed as auditors of the company will be put to the Annual General Meeting.

GRANTSIDE (DAWDON 111) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

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 and of the profit or loss of the company for that period. 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 which 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.

On behalf of the board



S G Davis

Director

18 August 2005

GRANTSIDE (DAWDON 111) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF GRANTSIDE (DAWDON 111) LIMITED

We have audited the financial statements of Grantside (Dawdon 111) Limited on pages 4 to 14 for the year ended 31 March 2005. These financial statements have been prepared under the historical cost convention and 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 auditor's 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 the directors and auditors

As described in the statement of directors' responsibilities on page 3 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 or 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.

GRANTSIDE (DAWDON 111) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF GRANTSIDE (DAWDON 111) LIMITED

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GARDINERS, CHARTERED ACCOUNTANTS
REGISTERED AUDITORS**

**18 AUGUST 2005
YORK**

GRANTSIDE (DAWDON 111) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2005

	Notes	2005 £
Turnover	2	11,891,762
Cost of sales		(12,038,043)
Gross loss		(146,281)
Administrative expenses		(726,375)
Operating loss	3	(872,656)
Other interest receivable and similar income	4	242,329
Interest payable and similar charges	5	(318)
Loss on ordinary activities before taxation		(630,645)
Tax on loss on ordinary activities	6	-
Loss on ordinary activities after taxation	12	(630,645)

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

There are no recognised gains and losses other than those passing through the profit and loss account.

GRANTSIDE (DAWDON 111) LIMITED

BALANCE SHEET AS AT 31 MARCH 2005

	Notes	2005 £	£
Current assets			
Debtors	7	1,291	
Cash at bank and in hand		5,730,504	
		<u>5,731,795</u>	
Creditors: amounts falling due within one year	9	(1,868,104)	
		<u></u>	
Total assets less current liabilities			3,863,691
Accruals and deferred income	10		(4,494,236)
			<u>(630,545)</u>
			<u></u>
Capital and reserves			
Called up share capital	11		100
Profit and loss account	12		(630,645)
			<u></u>
Shareholders' funds - equity interests	13		(630,545)
			<u></u>

The financial statements were approved by the Board on 18 August 2005



S G Davis
Director

GRANTSIDE (DAWDON 111) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

	2005 £
Operating (loss)/profit	(872,656)
Decrease/(increase) in debtors	146,081
Increase in creditors within one year	1,868,104
Movement on rent deposit	(810,717)
Cash generated from operations	330,812
Cash from other sources	
Interest received	242,329
Rent deposit	5,157,681
	5,400,010
Application of cash	
Interest paid	318
	(318)
Net increase/(decrease) in cash	5,730,504
Cash at bank and in hand less overdrafts at beginning of year	-
Cash at bank and in hand less overdrafts at end of year	5,730,504
Consisting of:	
Cash at bank and in hand	5,730,504
	5,730,504

GRANTSIDE (DAWDON 111) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2005

1 Reconciliation of operating loss to net cash inflow/(outflow) from operating activities 2005

	£
Operating (loss)/profit	(872,656)
Decrease/(increase) in debtors	146,081
Increase in creditors within one year	1,868,104
Movement on rent deposit	(810,717)
Net cash inflow/(outflow) from operating activities	330,812

2 Analysis of net funds/(debt) 1 April 2004 Cash flow Other non-cash changes

	£	£	£
Net cash:			
Cash at bank and in hand	-	5,730,504	-
Bank deposits	-	-	-
Net (debt)/funds	-	5,730,504	-

3 Reconciliation of net cash flow to movement in net funds 2005

	£
Increase in cash in the year	5,730,504
Movement in net funds in the year	5,730,504
Opening net debt	-
Closing net funds	5,730,504

GRANTSIDE (DAWDON 111) LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.. Sales of properties are reflected in the accounts when an unconditional contract is exchanged provided the sale is completed before the balance sheet date.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

1.3 Turnover

Sale of properties are reflected in the accounts when an unconditional contract is exchanged provided the sale is completed before the balance sheet date.

1.4 Deferred taxation

Deferred taxation 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 had not been discounted.

1.5 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.6 Operating Leases

Enterprise Zone operating leases are entered into with the intention of assigning leases to tenants meeting standard institutional criteria, a full accrual is made for the companys obligation under the lease. Any subsequent lettings resulting in a reduction in the companys commitment are credited to the profit and loss account, in the period in which the reduction takes place.

2 Turnover

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

3 Operating loss 2005 £

Operating loss is stated after charging:

Auditors' remuneration	1,750
------------------------	-------

4 Investment income 2005 £

Bank interest	242,329
---------------	---------

GRANTSIDE (DAWDON 111) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

5	Interest payable	2005
		£
	On bank loans and overdrafts	318
		<hr/>
6	Taxation	2005
	Current tax charge	-
		<hr/>
	Factors affecting the tax charge for the year	
	Loss on ordinary activities before taxation	(630,645)
		<hr/>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00%	-
		<hr/>
	Current tax charge	-
		<hr/>
	On the basis of these financial statements no provision has been made for corporation tax.	
7	Debtors	2005
		£
	Other debtors	1,291
		<hr/>
8	Cash at bank	
	Cash at bank includes bank deposits totalling £4,423,291 which supports rent guarantees issued by the company. Restrictions on the use of this deposit expire within seven and a half years but may in certain circumstances be released earlier. Other bank balances of £943,120 have been set aside and are restricted in their use to meet obligations arising under a construction contract.	
9	Creditors: amounts falling due within one year	2005
		£
	Trade creditors	1,866,354
	Accruals and deferred income	1,750
		<hr/>
		1,868,104
		<hr/>

GRANTSIDE (DAWDON 111) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

10 Accruals and deferred income

	£
Specific rent accrual	5,157,681
Rent payable	(810,717)
Compensating discount rate adjustment	147,272
	<hr/>
Balance carried forward	4,494,236
	<hr/>

The accrual for rent payable is in respect of an operating lease obligation that the company has entered into as described in note 11. The accrual has been discounted at a rate of 4.71% corresponding to the rate of interest applying to the cash deposit referred to in note 6 above.

11 Share capital

2005

£

Authorised

1,000 Ordinary of £1 each	1,000
1,000 Ordinary B of £1 each	1,000
	<hr/>
	2,000
	<hr/>

Allotted, called up and fully paid

50 Ordinary of £1 each	50
50 Ordinary B of £1 each	50
	<hr/>
	100
	<hr/>

12 Statement of movements on profit and loss account

Profit and
loss
account
£

Retained loss for the year	(630,645)
	<hr/>

GRANTSIDE (DAWDON 111) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

13 Reconciliation of movements in shareholders' funds	2005
	£
Loss for the financial year	(630,645)
Opening shareholders' funds	100
	<hr/>
Closing shareholders' funds	(630,545)
	<hr/>

14 Contingent liabilities

The company entered into a non-occupational lease for the property with an annual rent of £836,500 for a period of seven and a half years. This commitment ceases proportionately as soon as parts of the property are let to tenants meeting standard institutional criteria.

15 Directors' emoluments	2005
	£
Emoluments for qualifying services	639,348
	<hr/>
Emoluments disclosed above include the following amounts paid to the highest paid director:	
	<hr/>

16 Employees

Number of employees

There were no employees during the year apart from the directors.

Employment costs	2005
	£
Wages and salaries	642,167
Social security costs	80,652
	<hr/>
	722,819
	<hr/>

17 Control

The ultimate controlling parties are the directors and shareholders of the company.

GRANTSIDE (DAWDON 111) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2005

18 Related party transactions

During the year the company entered into a construction contract with Grantside Limited. The amount due to Grantside Limited at the year end was £880,668. Mr S Davis and Mr G Taylor, the directors and shareholders of Grantside (Dawdon 111) Limited, are also directors and shareholders of Grantside Limited.