

Abbreviated Accounts for the Year Ended 30 September 2003

for

Greenbelt Group Limited



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for the Year Ended 30 September 2003**

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Greenbelt Group Limited

**Company Information
for the Year Ended 30 September 2003**

DIRECTORS:

S G MacGillivray
A W Burton O.B.E.
A Middleton

SECRETARY:

DW Company Services Limited

REGISTERED OFFICE:

189 St Vincent Street
Glasgow
G2 5QD

REGISTERED NUMBER:

192378 (Scotland)

AUDITORS:

Parkhill Mackie & Co
Registered Auditors
Chartered Accountants
60 Wellington Street
Glasgow
G2 6HJ

Greenbelt Group Limited

Report of the Directors for the Year Ended 30 September 2003

The directors present their report with the accounts of the company for the year ended 30 September 2003.

CHANGE OF NAME

The company passed a special resolution on 8 April 2003 changing its name from The Greenbelt Group of Companies Limited to Greenbelt Group Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a business engaged in the repair and management of land and in the conservation and enhancement of the landscape including research and development.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed accounts.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2003.

DIRECTORS

The directors during the year under review were:

E H Roe	- resigned 7.11.02
S G MacGillivray	
P C Brown	- resigned 7.11.02
A W Burton O.B.E.	
A Middleton	

The beneficial interests of the directors holding office on 30 September 2003 in the issued share capital of the company were as follows:

	30.9.03	1.10.02
Ordinary £1 shares		
S G MacGillivray	3	3
A W Burton O.B.E.	3	3
A Middleton	3	3

The company purchased 6 of its own shares from the directors who resigned in the year.

FIXED ASSET INVESTMENT

The company owns 77.78% of the shareholders' funds in The Scottish Greenbelt Company Ltd. At 30 September 2003 the total shareholders' funds of that company were £707,818.

CHARITABLE DONATIONS

During the year the company made charitable donations amounting to £9,345.

STATEMENT OF 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 to 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.

Greenbelt Group Limited

**Report of the Directors
for the Year Ended 30 September 2003**

AUDITORS

The auditors, Parkhill Mackie & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

.....
A Middleton - Director

Date: 4th August 2004

**Report of the Independent Auditors to
Greenbelt Group Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages five to nineteen, together with the full financial statements of the company for the year ended 30 September 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages five to nineteen are properly prepared in accordance with that provision.



Parkhill Mackie & Co
Registered Auditors
Chartered Accountants
60 Wellington Street
Glasgow
G2 6HJ

Date: 5th AUGUST 2004.

Greenbelt Group Limited

**Abbreviated Profit and Loss Account
for the Year Ended 30 September 2003**

		2003		2002	
	Notes	£	£	£	£
GROSS PROFIT			1,724,469		1,740,595
Administrative expenses			1,640,030		1,677,865
OPERATING PROFIT	3		84,439		62,730
Interest receivable and similar income			537		10
			84,976		62,740
Interest payable and similar charges	4		39,566		27,223
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			45,410		35,517
Tax on profit on ordinary activities	5		11,324		7,765
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			34,086		27,752
Retained profit brought forward:					
As previously reported		208,096		186,226	
Prior year adjustments		-		(5,882)	
As restated			208,096		180,344
RETAINED PROFIT CARRIED FORWARD			£242,182		£208,096

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

The notes form part of these abbreviated accounts

Greenbelt Group Limited

**Statement of Total Recognised Gains and Losses
for the Year Ended 30 September 2003**

	<u>2003</u>	<u>2002</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	34,086	27,752
Revaluation of land	<u>362,934</u>	<u>598,176</u>
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£397,020</u>	625,928
Prior year adjustment		<u>(5,882)</u>
TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT		<u>£620,046</u>

The notes form part of these abbreviated accounts

Greenbelt Group Limited

**Abbreviated Balance Sheet
30 September 2003**

	Notes	2003		2002	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	6		2,998,962		2,648,782
Investments	7		67		70
			<u>2,999,029</u>		<u>2,648,852</u>
CURRENT ASSETS:					
Debtors	8	1,816,729		1,505,027	
Cash at bank and in hand		6,265		1,226	
		<u>1,822,994</u>		<u>1,506,253</u>	
CREDITORS: Amounts falling due within one year	9	1,572,226		1,364,271	
NET CURRENT ASSETS:			<u>250,768</u>		<u>141,982</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			3,249,797		2,790,834
CREDITORS: Amounts falling due after more than one year	10		(707,817)		(707,817)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(102,118)		(40,175)
			<u>£2,439,862</u>		<u>£2,042,842</u>
CAPITAL AND RESERVES:					
Called up share capital	15		10		16
Revaluation reserve	16		2,197,664		1,834,730
Capital redemption reserve	17		6		-
Profit and loss account			242,182		208,096
SHAREHOLDERS' FUNDS:	19		<u>£2,439,862</u>		<u>£2,042,842</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:


A Middleton - Director

Approved by the Board on 6th August 2004

The notes form part of these abbreviated accounts

Greenbelt Group Limited

**Cash Flow Statement
for the Year Ended 30 September 2003**

		2003	2002
	Notes	£	£
Net cash outflow from operating activities	1	(270,602)	(76,990)
Returns on investments and servicing of finance	2	(39,029)	(27,213)
Taxation		-	(6,614)
Capital expenditure	2	(812)	(6,372)
		<u>(310,443)</u>	<u>(117,189)</u>
Financing	2	-	-
Decrease in cash in the period		<u>£(310,443)</u>	<u>£(117,189)</u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
Decrease in cash in the period		<u>(310,443)</u>	<u>(117,189)</u>
Change in net debt resulting from cash flows		<u>(310,443)</u>	<u>(117,189)</u>
Movement in net debt in the period		<u>(310,443)</u>	<u>(117,189)</u>
Net debt at 1 October		<u>(382,963)</u>	<u>(265,774)</u>
Net debt at 30 September		<u>£(693,406)</u>	<u>£(382,963)</u>

The notes form part of these abbreviated accounts

Notes to the Cash Flow Statement
for the Year Ended 30 September 2003

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Operating profit	84,439	62,730
Depreciation charges	13,568	25,720
Increase/(Decrease) in establishment provision	62,960	(148,790)
Increase in debtors	(311,702)	(47,707)
(Decrease)/Increase in creditors	(119,867)	31,057
Net cash outflow from operating activities	(270,602)	(76,990)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2003 £	2002 £
Returns on investments and servicing of finance		
Interest received	537	10
Interest paid	(39,566)	(27,223)
Net cash outflow for returns on investments and servicing of finance	(39,029)	(27,213)
Capital expenditure		
Purchase of tangible fixed assets	(812)	(6,372)
Net cash outflow for capital expenditure and financial investment	(812)	(6,372)
Financing		
Amount introduced by directors	113,000	237,500
Amount withdrawn by directors	(113,000)	(237,500)
Net cash inflow from financing	-	-

Greenbelt Group Limited

**Notes to the Cash Flow Statement
for the Year Ended 30 September 2003**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.10.02 £	Cash flow £	At 30.9.03 £
Net cash:			
Cash at bank and in hand	1,226	5,039	6,265
Bank overdraft	(384,189)	(315,482)	(699,671)
	<u>(382,963)</u>	<u>(310,443)</u>	<u>(693,406)</u>
 Total	 <u>(382,963)</u>	 <u>(310,443)</u>	 <u>(693,406)</u>
 Analysed in Balance Sheet			
 Cash at bank and in hand	 1,226		 6,265
Bank overdraft	(384,189)		(699,671)
	<u>(382,963)</u>		<u>(693,406)</u>

The notes form part of these abbreviated accounts

**Notes to the Abbreviated Accounts
for the Year Ended 30 September 2003**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sales of services and amounts earned but not invoiced, excluding value added tax.

Tangible fixed assets

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

Freehold property	- not provided
Leasehold property	- not provided
Short Rotation Coppice	- not provided
Improvements to property	- Evenly over lease term
Viewing Platform	- 100% on cost
Fixtures and fittings	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Deferred tax

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Government grants

Revenue grants are credited to the profit and loss account to offset against matching expenditure. Grants of a capital nature are offset against the capital expenditure to which they relate.

Establishment provision

The establishment provision comprises the estimated costs, still to be incurred, in setting up the various land management projects undertaken by the company. These costs are charged to the profit and loss account as the sites are acquired.

Non - consolidation

Group accounts are not prepared by virtue of the exemptions conferred by s.248 of the Companies Act 1985. The financial statements present information about the company and not about the group.

2. STAFF COSTS

	2003	2002
	£	£
Wages and salaries	800,641	879,000
Social security costs	92,592	95,857
Other pension costs	34,316	42,980
	<u>927,549</u>	<u>1,017,837</u>

**Notes to the Abbreviated Accounts
for the Year Ended 30 September 2003**

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2003	2002
Management	3	5
Administration	18	20
Sales and land management	9	10
	<u>30</u>	<u>35</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2003 £	2002 £
Hire of plant and machinery	20,329	15,959
Vehicle leasing	82,819	90,480
Depreciation - owned assets	13,568	25,720
Auditors' remuneration	13,500	13,000
Rent	110,240	106,684
	<u>152,693</u>	<u>259,992</u>
Directors' emoluments	7,025	13,013
Directors' pension contributions to money purchase schemes	<u>7,025</u>	<u>13,013</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	2	4
	<u>2</u>	<u>4</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2003 £	2002 £
Bank interest	29,113	24,662
Other interest	10,453	2,561
	<u>39,566</u>	<u>27,223</u>

5. TAXATION

Analysis of the tax charge

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

	2003 £	2002 £
Current tax:		
UK corporation tax	12,340	9,252
Deferred taxation	(1,016)	(1,487)
Tax on profit on ordinary activities	<u>11,324</u>	<u>7,765</u>

UK corporation tax has been charged at 19% (2002 - 20%).

**Notes to the Abbreviated Accounts
for the Year Ended 30 September 2003**

5. TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>45,410</u>	<u>35,517</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2002 - 20%)	8,628	7,103
Effects of:		
Depreciation in excess of capital allowances	797	1,408
Expenses not deductible for tax purposes	4,482	2,667
Income not taxable - woodlands grants	(825)	(458)
Tax under/(over)provision in previous year	361	(1,468)
Charges paid	<u>(1,103)</u>	<u>-</u>
Current tax charge	<u>12,340</u>	<u>9,252</u>

No provision has been made in these accounts for the liability to taxation of £886,000 (2002: £780,000) on capital gains, which would arise if properties were to be sold at the amounts at which they have been revalued and included in these accounts.

6. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Short Rotation Coppice £	Improvements to property £
COST OR VALUATION:				
At 1 October 2002	1,874,588	682,981	32,550	37,378
Surplus on revaluation	431,266	-	-	-
Deficit on revaluation	-	(61,822)	(6,510)	-
At 30 September 2003	<u>2,305,854</u>	<u>621,159</u>	<u>26,040</u>	<u>37,378</u>
DEPRECIATION:				
At 1 October 2002	-	-	-	22,842
Charge for year	-	-	-	2,494
At 30 September 2003	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,336</u>
NET BOOK VALUE:				
At 30 September 2003	<u>2,305,854</u>	<u>621,159</u>	<u>26,040</u>	<u>12,042</u>
At 30 September 2002	<u>1,874,588</u>	<u>682,981</u>	<u>32,550</u>	<u>14,536</u>

Notes to the Abbreviated Accounts
for the Year Ended 30 September 2003

6. TANGIBLE FIXED ASSETS - continued

	Viewing Platform	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
COST OR VALUATION:				
At 1 October 2002	3,549	26,495	63,397	2,720,938
Additions	-	-	812	812
Surplus on revaluation	-	-	-	431,266
Deficit on revaluation	-	-	-	(68,332)
At 30 September 2003	3,549	26,495	64,209	3,084,684
DEPRECIATION:				
At 1 October 2002	3,549	13,888	31,875	72,154
Charge for year	-	3,152	7,922	13,568
At 30 September 2003	3,549	17,040	39,797	85,722
NET BOOK VALUE:				
At 30 September 2003	-	9,455	24,412	2,998,962
At 30 September 2002	-	12,606	31,521	2,648,782

Cost or valuation at 30 September 2003 is represented by:

	Freehold property	Leasehold property	Short Rotation Coppice	Improvements to property
	£	£	£	£
Valuation in 2003	2,305,854	621,159	26,040	-
Cost	-	-	-	37,378
	2,305,854	621,159	26,040	37,378

	Viewing Platform	Fixtures and fittings	Computer equipment	Totals
	£	£	£	£
Valuation in 2003	-	-	-	2,953,053
Cost	3,549	26,495	64,209	131,631
	3,549	26,495	64,209	3,084,684

Freehold and leasehold property and the short rotation coppice represent land owned by the company. The majority of sites were valued on an existing use value basis on 30 June 2003 by James Barr, Chartered Surveyors at £2,092,851. The remaining sites have been incorporated at the directors' valuation. The company continues to acquire land and is contracted to carry out the planting and management of that land. Land is not depreciated. If land had not been revalued it would have been included at the historical cost of £755,389.

Greenbelt Group Limited

**Notes to the Abbreviated Accounts
for the Year Ended 30 September 2003**

7. FIXED ASSET INVESTMENTS

	£	
COST:		
At 1 October 2002	70	
Disposals	(3)	
	<u>—</u>	
At 30 September 2003	67	
	<u>—</u>	
NET BOOK VALUE:		
At 30 September 2003	67	
	<u><u>—</u></u>	
At 30 September 2002	70	
	<u><u>—</u></u>	
	2003	2002
	£	£
Unlisted investments	67	70
	<u><u>—</u></u>	<u><u>—</u></u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

The Scottish Greenbelt Company Ltd

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary £1	77.78

	2003	2002
	£	£
Aggregate capital and reserves	707,818	707,818
	<u>—</u>	<u>—</u>

The Greenbelt Company (England) Ltd

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary £1	100.00

	2003	2002
	£	£
Aggregate capital and reserves	2	2
	<u>—</u>	<u>—</u>

The Greenbelt Company (Wales) Ltd

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary £1	100.00

	2003	2002
	£	£
Aggregate capital and reserves	1	1
	<u>—</u>	<u>—</u>

Greenbelt Group Limited

**Notes to the Abbreviated Accounts
for the Year Ended 30 September 2003**

7. FIXED ASSET INVESTMENTS - continued

Greenbelt Energy Ltd

Nature of business: Dormant

Class of shares:

Ordinary £1

%
holding
100.00

	2003 £	2002 £
Aggregate capital and reserves	<u>1</u>	<u>1</u>

8. DEBTORS

	2003 £	2002 £
Amounts falling due within one year:		
Trade debtors	1,624,276	1,293,925
Prepayments	132,453	91,102
	<u>1,756,729</u>	<u>1,385,027</u>

Amounts falling due after more than one year:

Trade debtors	<u>60,000</u>	<u>120,000</u>
Aggregate amounts	<u>1,816,729</u>	<u>1,505,027</u>

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

	2003 £	2002 £
Bank loans and overdrafts (see note 11)	699,671	384,189
Trade creditors	570,959	707,499
Social security & other taxes	86,875	126,040
Deferred income	100,522	21,124
Taxation	17,488	5,148
Accrued expenses	96,711	120,271
	<u>1,572,226</u>	<u>1,364,271</u>

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

	2003 £	2002 £
Amounts due to group undertakings	<u>707,817</u>	<u>707,817</u>
	<u>707,817</u>	<u>707,817</u>

**Notes to the Abbreviated Accounts
for the Year Ended 30 September 2003**

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2003 £	2002 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>699,671</u>	<u>384,189</u>

12. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	Operating leases			
	Land and buildings		Other	
	2003 £	2002 £	2003 £	2002 £
Expiring:				
Within one year	6,742	5,994	10,887	23,915
Between one and five years	-	16,478	57,529	68,058
In more than five years	85,600	85,600	-	-
	<u>92,342</u>	<u>108,072</u>	<u>68,416</u>	<u>91,973</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2003 £	2002 £
Bank overdrafts	<u>699,671</u>	<u>384,189</u>

The bank overdraft is secured by a bond and floating charge over the company's assets.

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2003 £	2002 £
Deferred taxation	3,379	4,395
Establishment provision	98,739	35,780
	<u>102,118</u>	<u>40,175</u>

Notes to the Abbreviated Accounts
for the Year Ended 30 September 2003

14. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax £	Establish- ment provision £
Balance at 1 October 2002	4,395	35,780
Net movement re sites completed or acquired	-	62,959
Excess capital allowances	(1,016)	-
Balance at 30 September 2003	<u>3,379</u>	<u>98,739</u>

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2003	2002
		£1	£	£
100	Ordinary		<u>100</u>	<u>100</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2003	2002
		£1	£	£
10	Ordinary		10	16
(2002 - 16)			<u> </u>	<u> </u>

The company purchased 6 of its own shares at par from the directors who resigned during the year.

16. REVALUATION RESERVE

	2003 £	2002 £
Brought forward	1,834,730	1,236,554
Surplus on revaluation of land	362,934	598,176
	<u>2,197,664</u>	<u>1,834,730</u>

17. CAPITAL REDEMPTION RESERVE

	2003 £	2002 £
Purchase of own shares	6	-
	<u> </u>	<u> </u>

18. TRANSACTIONS WITH DIRECTORS

During the year S G MacGillivray, A Middleton and A W Burton advanced funds of £9,500, £42,500 and £25,000 respectively on an interest free basis to the company. Further interest free loans totalling £36,000 were advanced by members of A Middleton's family. The company repaid all amounts in full prior to the year end.

Greenbelt Group Limited

**Notes to the Abbreviated Accounts
for the Year Ended 30 September 2003**

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2003	2002
	£	£
Profit for the financial year	34,086	27,752
Other recognised gains and losses relating to the year (net)	362,934	598,176
Net addition to shareholders' funds	397,020	625,928
Opening shareholders' funds	2,042,842	1,416,914
Closing shareholders' funds	2,439,862	2,042,842
Equity interests	2,439,862	2,042,842