



# **ESTATES LIMITED**

Company No. 1040501

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31ST MARCH 2002**



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# British Ensign Estates Limited

## Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31st March 2002.

### Principal activities and business review

The principal activities of the group throughout the year were those of property development, trading and investment. The results for the year and the financial position at the year-end were as anticipated by the directors.

### Results and dividend

The results of the group for the year are set out on page 3. The directors do not recommend the payment of a dividend as the funds of the company are fully employed.

### Fixed assets

Details of changes during the year in tangible fixed assets and in the valuation of land and buildings held by the group and company are set out in note 12 to the financial statements.

### Properties held for resale

In the opinion of the directors the market value of the group's properties held for resale in stocks is in the region of £2,080,000 in excess of the book value of £1,512,426.

### Directors and their interests

The directors who served the company throughout the year together with their interests (including family interests) in the shares and debentures of the company, at the beginning and end of the year, were as follows:

	Ordinary shares of £1 each	
	31st March 2002	1st April 2001
P.G. Blacker	100	100
R.D. Wallace	-	-

Mr. R.D. Wallace did not have any interest in the shares of any group company throughout the year.

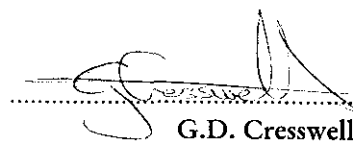
### Donations

The group made charitable contributions during the year amounting to £39,156 (2001: £5,220).

### Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

By Order of the Board

  
G.D. Cresswell  
Secretary

23 Cavaye Place  
London SW10 9PT

Date: 17 December 2002

# **British Ensign Estates Limited**

## **Directors' Responsibilities and Report of the Auditors**

### **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 the group and of the profit or loss 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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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.

### **Independent Auditors' Report to the Shareholders of British Ensign Estates Limited**

We have audited the financial statements of British Ensign Estates Limited for the year ended 31st March 2002 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

#### **Respective Responsibilities of Directors and Auditors**

As described in the Statement of Directors' Responsibilities, 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, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the 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.

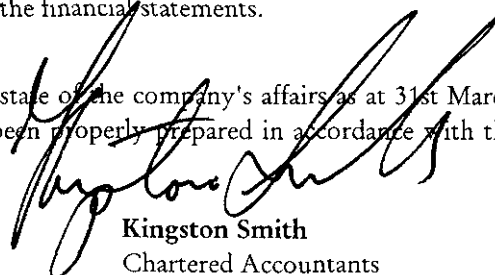
#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Devonshire House  
60 Goswell Road  
London EC1M 7AD

Date:

17<sup>th</sup> December 2002



**Kingston Smith**  
Chartered Accountants  
and Registered Auditors

**British Ensign Estates Limited**  
**Consolidated Profit and Loss Account**  
**For the year ended 31st March 2002**

	Note	2002 £	2001 £
Group Turnover - continuing operations	2	3,359,816	3,042,502
Cost of sales		<u>(1,239,081)</u>	<u>(1,500,385)</u>
Gross Profit		2,120,735	1,542,117
Net operating expenses	3	<u>(662,889)</u>	<u>(562,136)</u>
Group Operating Profit - continuing operations	4	1,457,846	979,981
Profit on sale of properties	5	<u>61,774</u>	<u>82,263</u>
Profit on Ordinary Activities before Interest and Investment Income		1,519,620	1,062,244
Share of profits from participating interests		56,479	48,917
Other interest receivable and similar income		104,971	108,043
Interest payable and similar charges	8	<u>(1,142,512)</u>	<u>(1,207,023)</u>
Profit on Ordinary Activities before Taxation		538,558	12,181
Taxation	9	<u>(198,861)</u>	<u>(44,609)</u>
Profit/(Loss) on Ordinary Activities after Taxation		339,697	(32,428)
Dividends on equity shares	10	<u>-</u>	<u>(1,000,000)</u>
Retained Profit/(Loss) for the Financial Year for the Group and its Share of Associates	11	<u>339,697</u>	<u>(1,032,428)</u>

**British Ensign Estates Limited**  
**Consolidated Statement of Total Recognised Gains and Losses**  
**For the year ended 31st March 2002**

	2002 £	2001 £
Profit/(loss) for the financial year	339,697	(32,428)
Unrealised surplus on revaluation of properties less deferred tax	<u>38,790</u>	<u>702,108</u>
<b>Total recognised gains and losses relating to the year</b>	<b><u>378,487</u></b>	<b><u>669,680</u></b>
<b>Total gains and losses recognised since last Annual Report</b>	<b><u>378,487</u></b>	<b><u>669,680</u></b>

**Reconciliation of Movements in Shareholders' Funds**

Profit/(loss) for the financial year	339,697	(32,428)
Dividends	<u>-</u>	<u>(1,000,000)</u>
	339,697	(1,032,428)
Other recognised gains relating to the year	<u>38,790</u>	<u>702,108</u>
Increase/(decrease) in shareholders' funds	378,487	(330,320)
Opening shareholders' funds	<u>9,209,325</u>	<u>9,539,645</u>
<b>Closing shareholders' funds</b>	<b><u>9,587,812</u></b>	<b><u>9,209,325</u></b>

**Note of Historical Cost Profit and Losses**

Reported profit on ordinary activities before taxation	538,558	12,181
Realisation of property transactions of previous years	<u>147,024</u>	<u>71,240</u>
Historical cost profit on ordinary activities before taxation	<u>685,582</u>	<u>83,421</u>
Historical cost profit for the year retained after taxation	<u>486,721</u>	<u>38,812</u>

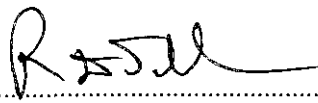
# British Ensign Estates Limited

## Consolidated Balance Sheet as at 31st March 2002

		2002		2001	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	12		18,039,070		19,193,200
Investments	13		<u>419,813</u>		<u>343,596</u>
			18,458,883		19,536,796
<b>Current Assets</b>					
Stocks	14	1,512,426		1,809,891	
Debtors	15	4,068,275		3,333,934	
Debtors - Amounts falling due after one year	15	6,562,499		5,717,689	
Cash at bank and in hand		<u>7,694</u>		<u>5,396</u>	
		12,150,894		10,866,910	
<b>Creditors: Amounts falling due within one year</b>	16	<u>(4,761,228)</u>		<u>(5,612,741)</u>	
<b>Net Current Assets</b>			<u>7,389,666</u>		<u>5,254,169</u>
<b>Total Assets Less Current Liabilities</b>			25,848,549		24,790,965
<b>Creditors: Amounts falling due after more than one year</b>	17		<u>(16,260,737)</u>		<u>(15,581,640)</u>
<b>Net Assets</b>			<u><u>9,587,812</u></u>		<u><u>9,209,325</u></u>
<b>Capital and Reserves</b>					
Called up share capital - equity interests	11		100		100
Revaluation reserve	11		5,784,849		5,893,083
Profit and loss account	11		<u>3,802,863</u>		<u>3,316,142</u>
<b>Shareholders' Funds</b>			<u><u>9,587,812</u></u>		<u><u>9,209,325</u></u>

Approved by the board on 17 December 2002.

P.G. Blacker  Director


R.D. Wallace  Director


# British Ensign Estates Limited

## Balance Sheet as at 31st March 2002

		2002		2001	
	Note	£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	12		3,460,929		4,608,200
Investments	13		<u>671,489</u>		<u>644,590</u>
			4,132,418		5,252,790
<b>Current Assets</b>					
Stocks	14	1,409,982		1,802,391	
Debtors	15	2,934,668		2,530,804	
Debtors - amounts falling due after one year	15	6,562,499		5,717,689	
Cash at bank and in hand		<u>3,274</u>		<u>267</u>	
		10,910,423		10,051,151	
<b>Creditors: Amounts falling due within one year</b>	16	<u>(5,015,403)</u>		<u>(5,798,785)</u>	
<b>Net Current Assets</b>			<u>5,895,020</u>		<u>4,252,366</u>
<b>Total Assets less Current Liabilities</b>			10,027,438		9,505,156
<b>Creditors: Amounts falling due after more than one year</b>	17		<u>(7,531,237)</u>		<u>(7,077,140)</u>
<b>Net Assets</b>			<u><u>2,496,201</u></u>		<u><u>2,428,016</u></u>
<b>Capital and Reserves</b>					
Called up share capital - equity interests	11		100		100
Revaluation reserve	11		2,151,370		2,248,394
Profit and loss account	11		<u>344,731</u>		<u>179,522</u>
<b>Shareholders' Funds</b>			<u><u>2,496,201</u></u>		<u><u>2,428,016</u></u>

Approved by the board on 17 December 2002

P.G. Blacker  Director

R.D. Wallace  Director

**British Ensign Estates Limited**  
**Consolidated Cash Flow Statement**  
**For the year ended 31st March 2002**

	2002		2001	
	£	£	£	£
<b>Net Cash (Outflow)/Inflow from Operating Activities (Note 1)</b>		1,197,668		(3,846,046)
<b>Returns on Investments and Servicing of Finance</b>				
Interest received	104,971		108,043	
Interest paid	<u>(1,142,512)</u>		<u>(1,207,023)</u>	
<b>Net Cash Outflow from Returns on Investments and Servicing of Finance</b>		(1,037,541)		(1,098,980)
<b>Taxation</b>				
Corporation tax		(6,184)		(459,300)
<b>Capital Expenditure and Financial Investment</b>				
Purchase of tangible fixed assets	(280,497)		(258,027)	
Sale of tangible fixed assets	<u>1,459,533</u>		<u>619,282</u>	
<b>Net Cash Flow from Capital Expenditure and Financial Investment</b>		1,179,036		361,255
<b>Acquisition and Disposals</b>				
Purchase of investments	<u>(26,999)</u>		<u>(417)</u>	
<b>Net Cash Flow from Acquisitions and Disposals</b>		(26,999)		(417)
<b>Equity dividends paid</b>		(1,000,000)		(1,000,000)
<b>Financing</b>				
Debt due within a year:				
Repayment of secured loans	(384,816)		(460,000)	
Increase in short term borrowings	-		460,000	
Debt due beyond a year:				
Repayment of secured loans	-		(730,562)	
New secured loans	<u>679,097</u>		<u>3,875,000</u>	
<b>Net Cash Inflow from Financing</b>		<u>294,281</u>		<u>3,144,438</u>
<b>Increase/(Decrease) in Cash (Note 2)</b>		<u>600,261</u>		<u>(2,899,050)</u>



**British Ensign Estates Limited**  
**Notes to the Cash Consolidated Flow Statement**  
**For the year ended 31st March 2002**

<b>1 Reconciliation of Operating Profit to Net Cash</b>	<b>2002</b>	<b>2001</b>
<b>(Outflow)/Inflow from Operating Activities</b>	<b>£</b>	<b>£</b>
Operating profit	1,457,846	979,981
Depreciation	75,657	103,272
Decrease/(increase) in stock	297,465	802,658
(Increase)/decrease in debtors	(1,188,667)	(5,664,123)
(Decrease)/Increase in creditors	555,367	(67,834)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>1,197,668</b>	<b>(3,846,046)</b>
<b>2 Reconciliation of Net Cash Flow to</b>		
<b>Movements in Net Debt (Note 3)</b>		
(Decrease)/Increase in cash in the period	600,261	(2,899,050)
Cash outflow from (increase)/decrease in debt	(294,281)	(3,144,438)
Change in net debt resulting from cash flows	305,980	(6,043,488)
Net debt at 1st April 2001	(17,302,526)	(11,259,038)
<b>Net Debt at 31st March 2002</b>	<b>(16,996,546)</b>	<b>(17,302,526)</b>
<b>3 Analysis of Net Debt</b>	<b>At</b>	<b>At</b>
	<b>1st April</b>	<b>31st March</b>
<b>2002</b>	<b>2001</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Cash in hand, at bank	5,396	7,694
Overdrafts	(1,566,282)	(968,319)
Debt due after one year	(15,281,640)	(15,960,737)
Debt due within one year	(460,000)	(75,184)
	<b>(17,302,526)</b>	<b>(16,996,546)</b>
<b>2001</b>	<b>At</b>	<b>At</b>
	<b>1st April</b>	<b>31st March</b>
	<b>2000</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Cash in hand, at bank	1,340,797	5,396
Overdrafts	(2,633)	(1,566,282)
Debt due after one year	(12,137,202)	(15,281,640)
Debt due within one year	(460,000)	(460,000)
	<b>(11,259,038)</b>	<b>(17,302,526)</b>

# British Ensign Estates Limited

## Notes to the Financial Statements

### For the year ended 31st March 2002

#### 1 Accounting Policies

##### Accounting Basis and Standards

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold property, and in accordance with applicable accounting standards.

##### Basis of Consolidation

The group profit and loss account and balance sheet consist of the financial statements of the parent company and its subsidiary undertakings. The group's share of associated undertakings' profits or losses is included in the group profit and loss account and added to the cost of investments in the balance sheet.

##### Investment Properties

Investment properties are included in the financial statements at open market values based on the latest professional valuation carried out by the directors who are both qualified surveyors.

##### Depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life as follows:

Freehold buildings	2% straight line
Freehold investment buildings	nil
Long leasehold investment property	nil
Short leasehold investment property	over period of the lease
Plant, machinery and fixtures and fittings	10% - 20% reducing balance
Motor vehicles	25% reducing balance

In accordance with SSAP 19, no depreciation or amortisation is provided in respect of freehold or long leasehold investment properties. This may be a departure from the requirements of the Companies Act 1985, which requires all properties to be depreciated. In the opinion of the directors this departure is necessary for the financial statements to give a true and fair view in accordance with the applicable accounting standards, as properties are included in the financial statements at their open market value.

##### Stocks

Properties held for resale are valued at the lower of cost and net realisable value which is based on the estimated selling price less costs expected to be incurred prior to completion and disposal.

##### Turnover

Turnover represents the sale proceeds of trading properties, rent receivable during the year, and joint venture profits.

##### Deferred Taxation

The company has adopted FRS 19. Deferred tax is now being recognised as a liability or asset if transactions or events that give the company an obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date. FRS 19 however does not permit deferred taxation to be recognised on any unrealised surplus arising on the revaluation of investment properties unless a binding contract to sell such a property has been exchanged prior to the balance sheet date.

##### Goodwill

Goodwill is determined by comparing the amount paid on the acquisition of a subsidiary or associated undertaking and the group's share of the aggregate fair value of its separable net assets. Goodwill is capitalised and amortised over a period of 5 years.

##### Leasing and Hire Purchase Commitments

Rentals under operating and finance leases have been charged to profit and loss account on a straight line basis.

##### Pension Scheme Arrangements

The group contributes to a number of money purchase pension schemes. Such contributions are held in trustee administered fund completely independently of the group's finances. The contributions made by the group are charged against profits on an accruals basis.

**British Ensign Estates Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

<b>2 Turnover</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Principal activities:		
Rents receivable	1,902,416	1,886,033
Sale of trading properties	1,118,000	1,156,469
Other income	339,400	-
	<u>3,359,816</u>	<u>3,042,502</u>

All of the above activities arose wholly in the United Kingdom.

<b>3 Net Operating Expenses and Comparative Details</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Turnover - continuing operations	<u>3,359,816</u>	<u>3,042,502</u>
Cost of Sales	<u>(1,239,081)</u>	<u>(1,500,385)</u>
<b>Net Operating Expenses</b>		
Administrative expenses	(764,020)	(630,049)
Other operating income	101,131	67,913
	<u>(662,889)</u>	<u>(562,136)</u>
<b>Operating Profit</b>	<u>1,457,846</u>	<u>979,981</u>

<b>4 Operating Profit</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
The operating profit is stated after charging:		
Auditors' remuneration - company	29,595	18,319
- group	38,177	28,942
Depreciation:		
Owned tangible fixed assets	75,657	103,272
Operating lease rentals - other assets	<u>1,323</u>	<u>662</u>

<b>5 Profit on Sale of Properties</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Profit on sale of investment properties	<u>61,774</u>	<u>82,263</u>

**6 Employee Information**

The average number of employees during the year was 7 (2001: 7). Due to the size of the group there is no formal classification of duties.

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Their total remuneration was:		
Wages and salaries	215,048	196,270
Social security costs	25,530	23,515
Other pension costs - money purchase scheme	21,992	14,838
	<u>262,570</u>	<u>234,623</u>

**British Ensign Estates Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

7 Directors' Emoluments	2002	2001
	£	£
Emoluments	50,000	50,000
Pension contributions - money purchase scheme	-	-
	<u>50,000</u>	<u>50,000</u>

The emoluments and pension contributions were made in respect of one director.

8 Interest Payable and Similar Charges	2002	2001
	£	£
Bank loans and overdrafts	1,128,038	1,165,423
Other interest	14,474	41,600
	<u>1,142,512</u>	<u>1,207,023</u>

9 Taxation	2002	2001
	£	£
a) Analysis of charge for the year		
<i>UK Corporation tax</i>		
UK Corporation tax at the rate of 30% (2001 - 19.75%)	181,481	16,266
Adjustment in respect of prior years	17,380	28,343
Tax on profit on ordinary activities	<u>198,861</u>	<u>44,609</u>

b) Factors affecting the tax charge for the year		
The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 30% (2001 - 19.75%).		
The differences are explained below:		
Profit on ordinary activities before tax	<u>510,406</u>	<u>12,181</u>
Profit multiplied by standard rate of corporation tax in the UK of 29.76% (2001 - 19.75%)	151,895	3,654
Effects of:		
Disallowable expenses	32,168	18,472
Capital gains	23,449	(3,048)
Depreciation in excess of capital allowances	18,157	23,759
Utilisation of losses	(46,117)	-
Losses carried forward	1,929	6
Adjustment in respect of prior periods	17,380	28,343
Adjustment for available lower rates of tax	-	(26,577)
Current tax charge for the year (note 9(a))	<u>198,861</u>	<u>44,609</u>

- c) **Factors that may affect future tax charges**  
No provision has been made for deferred tax on gains recognised on revaluing investment properties to their market values. Such tax would only become payable only if the properties were sold. The total amount unprovided for is £1,203,753 (2001 - £1,223,808).

There is also a deferred tax asset of £39,753 (2001 - £37,142) which is currently not being recognised.

**British Ensign Estates Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

10	Dividends	2002 £	2001 £
	Proposed	-	1,000,000

11	Shareholders' Funds	2002 £	2001 £
	The authorised share capital comprises:		
	Authorised:		
	100 Ordinary shares of £1 each	100	100
	Called up, allotted and fully paid:		
	100 Ordinary shares of £1 each	100	100

**Movements on Reserves - Group**

	Called Up Share Capital £	Revaluation Reserve £	Profit and Loss Account £	2002 Total £	2001 Total £
Balance at 1st April 2001	100	5,893,083	3,316,142	9,209,325	9,539,645
Transfer to profit and loss account	-	-	339,697	339,697	(1,032,428)
Transfer of realised profits	-	(147,024)	147,024	-	-
Surplus on property revaluations	-	38,790	-	38,790	702,108
<b>Balance at 31st March 2002</b>	<b>100</b>	<b>5,784,849</b>	<b>3,802,863</b>	<b>9,587,812</b>	<b>9,209,325</b>

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the company is not presented as part of these financial statements. The group profit for the financial year of £339,697 (2001 - loss £1,032,428) includes a profit of £18,185 (2001 loss - £321,834) which is dealt with in the financial statements of the company.

**Movements on Capital and Reserves - Company**

	Called Up Share Capital £	Revaluation Reserve £	Profit and Loss Account £	2002 Total £	2001 Total £
Balance at 1st April 2001	100	2,248,394	179,522	2,428,016	2,997,742
Transfer to profit and loss account	-	-	18,185	18,185	(321,834)
Transfer of realised profits	-	(147,024)	147,024	-	-
Surplus on property revaluations	-	50,000	-	50,000	(247,892)
<b>Balance at 31st March 2002</b>	<b>100</b>	<b>2,151,370</b>	<b>344,731</b>	<b>2,496,201</b>	<b>2,428,016</b>

The revaluation reserve relates to a surplus on revaluation of land and buildings.

**British Ensign Estates Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

**12 Tangible Assets - Group**

	Freehold Property £	Freehold Investment Property £	Long Leasehold Investment Property £	Short Leasehold Investment Property £	Plant and Machinery, Fixtures and Fittings £	Motor Vehicles £	Total £
<b>Cost or Valuation</b>							
At 1st April 2001	650,000	10,242,651	7,675,000	881,235	48,070	270,974	19,767,930
Additions	-	280,497	-	-	-	-	280,497
Transfer	-	300,000	(300,000)	-	-	-	-
Disposals	-	(974,820)	(420,000)	-	(13,447)	-	(1,408,267)
Surplus on revaluation	-	38,789	-	-	-	-	38,789
At 31st March 2002	650,000	9,887,117	6,955,000	881,235	34,623	270,974	18,678,949
<b>Depreciation</b>							
At 1st April 2001	21,000	-	-	346,235	32,860	174,635	574,730
Charge for the year	7,000	-	-	41,623	2,949	24,085	75,657
Eliminated on disposals	-	-	-	-	(10,508)	-	(10,508)
At 31st March 2002	28,000	-	-	387,858	25,301	198,720	639,879
<b>Net Book Value</b>							
At 31st March 2002	622,000	9,887,117	6,955,000	493,377	9,322	72,254	18,039,070
At 31st March 2001	629,000	10,242,651	7,675,000	535,000	15,210	96,339	19,193,200

**British Ensign Estates Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

**12 Tangible Assets - Company**

	Freehold Investment Property £	Long Leasehold Investment Property £	Short Leasehold Investment Property £	Plant and Machinery, Fixtures and Fittings £	Motor Vehicles £	Total £
<b>Cost or Valuation</b>						
At 1st April 2001	2,080,001	1,895,000	881,235	19,881	270,974	5,147,091
Additions	263,536	-	-	-	-	263,536
Transfer	300,000	(300,000)	-	-	-	-
Disposals	(974,820)	(420,000)	-	-	-	(1,394,820)
Deficit on revaluation	50,000	-	-	-	-	50,000
<b>At 31st March 2002</b>	<b>1,718,717</b>	<b>1,175,000</b>	<b>881,235</b>	<b>19,881</b>	<b>270,974</b>	<b>4,065,807</b>
<b>Depreciation</b>						
At 1st April 2001	-	-	346,235	18,021	174,635	538,891
Charge for the year	-	-	41,623	279	24,085	65,987
Disposals	-	-	-	-	-	-
<b>At 31st March 2002</b>	<b>-</b>	<b>-</b>	<b>387,858</b>	<b>18,300</b>	<b>198,720</b>	<b>604,878</b>
<b>Net Book Value</b>						
At 31st March 2002	<u>1,718,717</u>	<u>1,175,000</u>	<u>493,377</u>	<u>1,581</u>	<u>72,254</u>	<u>3,460,929</u>
At 31st March 2001	<u>2,080,001</u>	<u>1,895,000</u>	<u>535,000</u>	<u>1,860</u>	<u>96,339</u>	<u>4,608,200</u>

Comparable historical cost for the land and buildings included at valuation:

	Group £	Company £
<b>Cost</b>		
At 1st April 2001	13,555,803	3,102,842
Additions	280,498	263,537
Disposals	(1,247,796)	(1,247,796)
<b>At 31st March 2002</b>	<b>12,588,505</b>	<b>2,118,583</b>
<b>Depreciation</b>		
At 1st April 2001	59,921	52,968
Charge for the year	20,719	20,719
<b>At 31st March 2002</b>	<b>80,640</b>	<b>73,687</b>
<b>Net Book Value</b>		
At 31st March 2002	<u>12,507,865</u>	<u>2,044,896</u>
At 31st March 2001	<u>13,495,882</u>	<u>3,049,874</u>

Investment properties held for over five years have been valued at the balance sheet date by either Keningtons, Chartered Surveyors or Gooch Webster, Chartered Surveyors at an open market value basis.

The carrying values of all other investment properties were considered as at 31st March 2002 by the directors, both Chartered Surveyors, and valued at an open market basis.

**British Ensign Estates Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

13 Investments	Group		Company	
	2002	2001	2002	2001
(a) Shares in group undertakings	£	£	£	£
At cost	-	-	120,102	120,202
Shares in undertakings in which the company has a participating interest	419,813	343,596	551,387	524,388
	<u>419,813</u>	<u>343,596</u>	<u>671,489</u>	<u>644,590</u>
(b) Movement in group investments				Participating Interests
				£
Shares of net assets at 1st April 2001				343,596
Additions				26,999
Disposals				-
Shares of retained profits for year				49,218
Shares of net assets at 31st March 2002				<u>419,813</u>
Net book value at 31st March 2002				<u>419,813</u>
(c) Movements in company investments		Shares in Subsidiary Undertakings	Associated Undertakings	Total
		£	£	£
Cost or valuation at 1st April 2001		120,202	524,388	644,590
Additions		-	26,999	26,999
Disposals		(100)	-	(100)
Cost or Valuation at 31st March 2002		<u>120,102</u>	<u>551,387</u>	<u>671,489</u>
Net book value at 31st March 2002		<u>120,102</u>	<u>551,387</u>	<u>671,489</u>
(d) Details of group undertakings				
The following details relate to the company's principal subsidiary undertakings:				
Name	Location	Identity Shares Held	Percentage Shares Held	Activity
British Ensign Builders Limited	England	Ordinary	100%	Property Trading
British Ensign Investments Limited	England	Ordinary	100%	Property Investment
Vemore Limited	England	Ordinary	100%	Property Investment
Sandhaven Property Trading Limited	England	Ordinary	100%	Property Development
All subsidiary undertakings prepare accounts to 31st March 2002				
(e) Details of undertakings in which the company has a participating interest				
Representing:	Country of Incorporation	Class of Share Held	Proportion of voting rights held	Activity
Zeeta House Limited	England	Ordinary	22.00%	Property Trading
Pathcrest Limited	England	Ordinary	50.00%	Property Trading
Larchpost Limited	England	Ordinary	41.70%	Property Investment



**British Ensign Estates Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

14 Stocks	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Properties held for resale	<u>1,512,426</u>	<u>1,809,891</u>	<u>1,409,982</u>	<u>1,802,391</u>

15 Debtors	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Due within one year:				
Trade debtors	24,257	26,774	10,667	19,130
Amounts owed by group undertakings	-	-	118,905	442,552
Amounts owed by undertakings in which the company has a participating interest	118,969	128,066	93,733	108,733
Other debtors	3,845,223	3,003,396	2,661,148	1,834,613
Prepayments and accrued income	<u>79,826</u>	<u>175,698</u>	<u>50,215</u>	<u>125,776</u>
	<u>4,068,275</u>	<u>3,333,934</u>	<u>2,934,668</u>	<u>2,530,804</u>
Due after one year:				
Other debtors	<u>6,562,499</u>	<u>5,717,689</u>	<u>6,562,499</u>	<u>5,717,689</u>

16 Creditors: Amounts falling due within one year	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	1,043,503	2,026,282	518,319	1,701,282
Trade creditors	73,174	18,713	31,410	6,812
Amounts due to group undertakings	-	-	1,864,615	1,643,885
Corporation tax	191,606	6,187	59,551	-
Social security and other taxes	435,489	16,371	418,269	8,601
Other creditors	2,637,668	2,085,061	1,924,657	1,198,358
Proposed dividend	-	1,000,000	-	1,000,000
Accruals and deferred income	<u>379,788</u>	<u>460,127</u>	<u>198,582</u>	<u>239,846</u>
	<u>4,761,228</u>	<u>5,612,741</u>	<u>5,015,403</u>	<u>5,798,784</u>

The bank loans and overdrafts are secured by a fixed and floating charge over the property assets of the group and its associated company, Zeeta House Limited.

**British Ensign Estates Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 2002 (Continued)**

17 Creditors: Amounts falling due after more than one year	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans	15,960,737	15,281,640	7,231,237	6,777,140
Other creditors	300,000	300,000	300,000	300,000
	<u>16,260,737</u>	<u>15,581,640</u>	<u>7,531,237</u>	<u>7,077,140</u>
	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Amounts not repayable by instalments	<u>6,998,237</u>	<u>5,952,203</u>	<u>4,531,237</u>	<u>3,985,203</u>
Amounts repayable by instalments:				
Due between one to two years	325,000	325,000	-	-
Due between two and five years	7,362,500	7,437,500	3,000,000	3,000,000
Due after five years	<u>1,475,000</u>	<u>1,866,937</u>	-	91,937
	<u>9,162,500</u>	<u>9,629,437</u>	<u>3,000,000</u>	<u>3,091,937</u>

- (i) A bank loan of £6,698,237 (2001: £5,552,203) not repayable by instalments is a revolving credit facility subject to annual review. Interest is charged at the rate of 1.75% per annum over the bank's base rate. The loan is secured by a legal charge over the properties acquired as a result of purchases made through utilisation of the facility and by a cross guarantee between British Ensign Estates Limited and its subsidiary undertaking British Ensign Investments Limited.
- (ii) A bank loan totalling £2,475,000 (2001: £2,775,000) due after more than one year is repayable by annual instalments of £250,000 over 10 years, carries interest at 1.5% per annum above the bank's base rate and is secured by the same terms in (i) above.
- (iii) A bank loan totalling £3,687,500 (2001: £3,762,500) due after more than one year carries interest at 2% above LIBOR and is repayable by annual instalments of £75,000 in the first four years of the term. The loan is secured by a debenture over a long-leasehold property and by a guarantee given by British Ensign Estates Limited.
- (iv) A bank loan of £3,000,000 (2001: £3,000,000) due between 2 and 5 years carries interest at 1.75% per annum over the bank's base rate and is repayable in one instalment.

**18 Pension Commitments**

The company makes contributions to the British Ensign Estate Limited Retirement and Death Benefit Scheme, a money purchase scheme, the assets of the scheme being held separately from the assets of the company. The company also makes contributions to certain staff members' own private pension plans, the assets of these schemes being held separately from the assets of the company. The pension cost charge represents contributions payable to these schemes and amounted to £21,992 (2001: £14,838).

**19 Contingent Liabilities**

The company has guaranteed the bank overdrafts and loans of its subsidiary undertakings British Ensign Investments Limited. The subsidiary company's indebtedness at 31st March 2002 amounted to £5,392,000 (2001: £5,242,000).

# British Ensign Estates Limited

## Notes to the Financial Statements

### For the year ended 31st March 2002 (Continued)

#### 20 Related Party Transactions

##### (i) Group Transactions

The group has taken advantage of the exemptions conferred by FRS8 paragraph 3c not to make disclosures concerning related parties.

##### (ii) Transactions with Directors

###### Mr. P.G. Blacker

- a) Other debtors include an amount of £1,561,937 (2001: £1,024,620) due from Mr. P.G. Blacker. This amount is interest free, unsecured with no fixed date of repayment. The amount of £1,561,937 was the maximum amount owed by Mr. P.G. Blacker to the company during the year.
- b) Included in other creditors due greater than one year at 31st March 2002 is £300,000 (2001: £300,000) owing to Golders Hill and General Estates Company Limited, a company in which Mr. P.G. Blacker is a director.
- c) Included within other creditors are the following amounts due to companies in which Mr. P.G. Blacker, director, has a material interest:

	2002	2001
	£	£
Argyll Sawmills Limited	224,859	234,920
Mellway Associates Limited	702,769	26,081

- d) Included in other debtors are the following amounts due from companies in which Mr. P.G. Blacker, director, has a material interest:

	2002	2001
	£	£
Stewart Property Limited	19,126	84,126
Strongvale Limited	351,903	326,713
Slinfold Park Golf and Country Club Limited	6,698	2,738
Beornwood Limited	802,836	351,581
Swallows Tiles (Cranleigh) Limited	1,217,924	1,189,012
Euphoria Limited	216,910	197,223
Acson Limited	550,000	-

- e) Management fees of £10,000 (2001: £10,000) were received during the year from Slinfold Park Golf and Country Club Limited, a company in which Mr P.G. Blacker, director, has a material interest.
- f) An investment property was sold to Mr. P.G. Blacker's son during the year for a consideration of £420,000 which was at an arm's length price.

###### Mr. R.D. Wallace

- a) Oakcastle Limited, a company in which Mr. R.D. Wallace has a material interest, charged profit share fees of £59,998 (2001: £303,397) during the year to British Ensign Estates Limited group.
- b) Included within accruals and deferred income is an amount of £103,038 (2001: £110,560) due to Oakcastle Limited a company in which R.D. Wallace has a material interest.

#### 21 Controlling Party

The group is ultimately controlled by Mr. P.G. Blacker, director, by virtue of his 100% shareholding in the company.