

MERLEWOOD ESTATES LIMITED

Company No: 1704435

REGISTRARS COPY  
OF ACCOUNTS

FINANCIAL STATEMENTS

- for the year ended -

30TH JUNE 2002



LD7 #LUSP4KK1# 0273  
COMPANIES HOUSE 14/05/08

LD7 #LUG2HKJK# 0070  
COMPANIES HOUSE 30/04/08

CAVENDISH  
Chartered Certified Accountants  
Registered Auditors  
61 Chandos Place, London WC2N 4HG

Reference 589/M32

**MERLEWOOD ESTATES LIMITED**

**DIRECTOR**

C P Farrell

**SECRETARY**

Mrs. S Smith

**BUSINESS ADDRESS**

Ryewater Nursery  
Folke  
Near Sherborne  
Dorset DT9 5PL

**REGISTERED OFFICE**

61 Chandos Place  
London WC2N 4HG

**AUDITORS**

Cavendish  
Chartered Certified Accountants  
Registered Auditors  
61 Chandos Place  
London WC2N 4HG

**PRINCIPAL BANKERS**

Bank of Scotland plc  
West End Office  
14-16 Cockspur Street  
London SW1Y 5BL

**MERLEWOOD ESTATES LIMITED**

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## **MERLEWOOD ESTATES LIMITED**

### **REPORT OF THE DIRECTOR**

The director presents his report and audited financial statements for the year ended 30 June 2002.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company in the year under review was property dealing.

The director considers the results achieved and the state of the company's affairs at the year end to be satisfactory.

#### **DIRECTOR AND HIS INTERESTS**

The director at the balance sheet date and his interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of shares</u>	<u>Number of shares</u>	
		<u>2002</u>	<u>2001</u>
C P Farrell	Ordinary shares	99	99

#### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

#### **CLOSE COMPANY**

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

#### **AUDITORS**

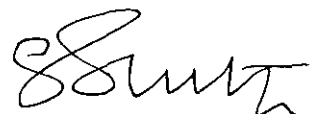
The auditors, Cavendish, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

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

Date: .....26/04/03

By Order of the Board

Mrs. S Smith  
Secretary



## **MERLEWOOD ESTATES LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MERLEWOOD ESTATES LIMITED**

We have audited the financial statements of Merlewood Estates Limited for the year ended 30 June 2002 on pages 3 to 8. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out in page 5.

#### **Respective responsibilities of the director and auditors**

As described in the the Statement of Director's Responsibility on page 1, the company director is 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 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 Director's 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 examinations, 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 director 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 affairs of the company as at 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**CAVENDISH**  
Chartered Certified Accountants  
Registered Auditors

61 Chandos Place  
London WC2N 4HG

Date: 30/4/03

**MERLEWOOD ESTATES LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2002**

	Notes	2002 £	2001 £
<b>TURNOVER</b>		279,676	983,254
Cost of sales		(269,858)	(851,545)
<b>GROSS PROFIT</b>		9,818	131,709
Other operating costs		(26,219)	(22,520)
Administrative expenses		(70,771)	(76,109)
		(87,172)	33,080
Other operating income		126,259	105,734
<b>OPERATING PROFIT</b>	2	39,087	138,814
Interest receivable		3,325	3,325
Amount written off investments		-	(2)
Interest payable		(2,791)	(29,024)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		39,621	113,113
Tax on profit on ordinary activities	4	(8,093)	(31,000)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	11	31,528	82,113

The notes on pages 5 to 8 form part of these financial statements.

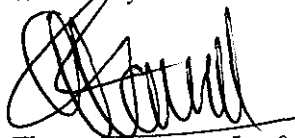
**MERLEWOOD ESTATES LIMITED****BALANCE SHEET AT 30TH JUNE 2002**

	Notes	£	2002 £	£	2001 £
<b>FIXED ASSETS</b>					
Tangible assets	5		-		1,088
Investments	6 / 7		3,002		3,002
			<u>3,002</u>		<u>4,090</u>
<b>CURRENT ASSETS</b>					
Stocks		782,788		629,781	
Debtors	8	43,897		67,465	
Cash at bank and in hand		81,451		82,655	
		<u>908,136</u>		<u>779,901</u>	
<b>CREDITORS:</b> Amounts falling due within one year	9	(239,754)		(144,135)	
<b>NET CURRENT ASSETS</b>			<u>668,382</u>		<u>635,766</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>671,384</u>		<u>639,856</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		100		100
Profit and loss account	11		671,284		639,756
<b>SHAREHOLDERS FUNDS</b>			<u>671,384</u>		<u>639,856</u>

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

The financial statements were approved  
by the board on 26/4/03  
and signed on its behalf by

C P Farrell



Director

The notes on pages 5 to 8 form part of these financial statements.

## **MERLEWOOD ESTATES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2002**

#### **1. ACCOUNTING POLICIES**

##### **1.1 BASIS OF ACCOUNTING**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002). The company and its subsidiary undertakings comprise a small group. The company has taken advantage of the exemption provided in s248 of the Companies Act 1985 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not the group.

##### **1.2 TURNOVER**

Turnover represents sales of properties and income from joint ventures and commission during the year net of VAT.

##### **1.3 DEPRECIATION**

Depreciation is provided using the rates to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	25% Reducing balance
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##### **1.4 STOCKS**

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

##### **1.5 DEFERRED TAXATION**

Provision is made for taxation deferred as a result of timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

##### **1.6 PENSIONS**

Pension contributions are charged to the profit and loss account as incurred. These contributions are invested separately from the company's assets.

#### **2. OPERATING PROFIT**

	2002	2001
	£	£
The operating profit is stated after charging:		
Depreciation	1,088	362
Auditors' remuneration	5,000	5,000

#### **3. PENSION COSTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £2,500 (2001: £2,500). All contributions were paid in the year.



# **MERLEWOOD ESTATES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2002**

### **4. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
The taxation charge comprises:		
U.K. corporation tax	8,500	31,000
	<hr/>	<hr/>
	8,500	31,000
Adjustment in respect of prior years	(407)	-
	<hr/>	<hr/>
	<u>8,093</u>	<u>31,000</u>

### **5. TANGIBLE FIXED ASSETS**

	<b>Fixtures, fittings and equipment £</b>
<u>Cost</u>	
At 1 July 2001 and At 30 June 2002	17,834
	<hr/>
<u>Depreciation</u>	
At 1 July 2001	16,746
Charge for year	1,088
	<hr/>
At 30 June 2002	<u>17,834</u>
	<hr/>
<u>Net book value at 30 June 2002</u>	-
	<hr/>
<u>Net book value at 30 June 2001</u>	<u>1,088</u>

### **6. INVESTMENTS**

<u>Cost</u>	<b>Beginning of year £</b>	<b>Additions £</b>	<b>End of year £</b>
Shares in group undertakings	3,002	-	3,002
	<hr/>	<hr/>	<hr/>
	3,002	-	3,002
	<hr/>	<hr/>	<hr/>

Details of the subsidiary undertakings are given in note 7.

**MERLEWOOD ESTATES LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2002****7. INVESTMENTS - RELATED UNDERTAKING**

Investments (note 6) include the following subsidiaries at the balance sheet date:

Subsidiary undertakings	Description and proportion of share capital owned	Country of incorporation	Nature of business
Devon Properties Ltd	Ordinary 100%	Jersey	Property
Sudbury Properties Ltd	Ordinary 100%	Bahamas	Property

Financial information summary - subsidiary undertakings:

	Aggregate capital and reserves at last accounting date £	Profit/(loss) for the last financial period £
Devon Properties Ltd	1,245,328	316,818
Sudbury Properties Ltd	4,245	79,898

**8. DEBTORS**

	2002 £	2001 £
Amounts owed by group undertakings	-	25,660
Other debtors	43,897	41,805
	<u>43,897</u>	<u>67,465</u>

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

	2002 £	2001 £
Amounts owed to group undertakings	64,304	-
Corporation tax	8,500	31,000
Other creditors and accruals	166,950	113,135
	<u>239,754</u>	<u>144,135</u>

The company has a debenture with Bank of Scotland plc which is secured on the properties of the company by way of a legal charge and is supported by the guarantee from the director for £1,132,000.

## MERLEWOOD ESTATES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2002

#### 10. SHARE CAPITAL

	2002 £	2001 £
<u>Authorised</u>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<u>Allotted, called up and fully paid</u>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### 11. PROFIT AND LOSS ACCOUNT

	2002 £	2001 £
Retained profits at 1 July 2001	639,756	557,643
Profit for the financial year	<u>31,528</u>	<u>82,113</u>
Retained profits at 30 June 2002	<u>671,284</u>	<u>639,756</u>

#### 12. CONTINGENT LIABILITIES

The company has a cross corporate guarantee in favour of the bank for all monies due between Devon Properties Ltd, Sudbury Properties Ltd and the company.

#### 13. CONTROL

The company is controlled by C P Farrell who holds 99% of the issued share capital.

#### 14. RELATED PARTY DISCLOSURES

The company has interest free loans creditor payable to Devon Properties Ltd in the sum of £22,370 (2001 : £908 debtor) and Sudbury Properties Ltd in the sum of £41,934 (2001 : £24,752 debtor). Both companies are subsidiaries of Merlewood Estates Limited.

The company paid a management charge of £50,000 (2001: £50,000) to Traitbond Ltd. C P Farrell is a director and controlling shareholder of Traitbond Ltd.