

FERRERSMERE ESTATES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2000

Company number: 2303538



FERRERSMERE ESTATES LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2000

Company registration number: 2303538

Registered office: Cobbs Lane
Wollaston
Wellingborough
Northants
NN29 7SW

Directors: Mr W M Griggs (Chairman)
Mr S W Griggs
Mrs B Y Griggs (Non-executive)

Secretary: Mr H M Johnstone

Bankers: HSBC

Solicitors: Smith Chamberlain

Auditors: Grant Thornton
Registered auditors
Chartered accountants

FERRERSMERE ESTATES LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2000

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FERRERSMERE ESTATES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 March 2000.

Principal activity

The company is principally engaged as a property investment company.

Business review

There was a profit for the year after taxation amounting to £83,806 (1999: £74,458). The directors do not recommend payment of a dividend.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors, who are also directors of the parent undertaking, are disclosed in that company's financial statements. The interests of the other director in the shares of the company and its parent as at 1 April 1999 and 31 March 2000 are included below.

	Parent undertaking 2000 and 1999 Ordinary shares	The company 2000 and 1999 Ordinary shares
Mr W M Griggs (Chairman) (also a director of the parent undertaking)	-	-
Mr S W Griggs (also a director of the parent undertaking)	-	-
Mrs B Y Griggs (non-executive director)	* 13,012	-

* Includes joint holdings of 8,444 (1999: 8,444) ordinary shares.

No director had, during or at the end of the year, a material interest in any contract which was significant in relation to the company's business, except as disclosed in note 17 to the financial statements.

Directors' responsibilities for the financial statements

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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FERRERSMERE ESTATES LIMITED

REPORT OF THE DIRECTORS

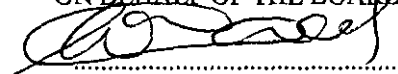
Year 2000 Compliance

The company suffered no impact from the Year 2000 date change, nor did any of its major customers, suppliers or trading partners.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD



W M Griggs
Chairman

12 October 2000

Registered office:

Cobbs Lane
Wollaston
Wellingborough
Northants
NN29 7SW

**REPORT OF THE AUDITORS TO THE MEMBERS OF
FERRERSMERE ESTATES LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 4.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

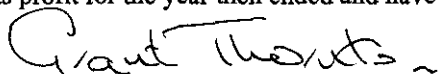
Basis of opinion

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 at 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Northampton

12 October 2000

FERRERSMERE ESTATES LIMITED

PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 March 2000

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total rent receivable by the company, excluding VAT.

DEPRECIATION

Depreciation is calculated to write down the cost of all tangible fixed assets other than freehold land and excluding investment properties, by equal annual instalments over their expected useful lives. The rate generally applicable is:

Freehold buildings - 2% straight line method

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise.

FERRERSMERE ESTATES LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2000

	Note	2000 £	1999 £
Turnover	1	209,610	209,610
Other operating income and charges	2	54,299	57,286
Operating profit		<u>155,311</u>	<u>152,324</u>
Net interest	3	14,943	17,880
Profit on ordinary activities before taxation	1	<u>140,368</u>	<u>134,444</u>
Tax on profit on ordinary activities	5	56,562	59,986
Profit for the financial year	14	<u><u>£83,806</u></u>	<u><u>£74,458</u></u>

There were no recognised gains or losses other than the profit for the financial year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	2000 £	1999 £
Profit on ordinary activities before taxation	140,368	134,444
Realisation of revaluation gains of previous years	-	11,000
Historical cost profit on ordinary activities before taxation	<u>£140,368</u>	<u>£145,444</u>
Historical cost profit transferred to reserves	<u><u>£56,562</u></u>	<u><u>£85,458</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

FERRERSMERE ESTATES LIMITED

BALANCE SHEET AT 31 MARCH 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	6		2,459,233		2,377,935
Creditors: amounts falling due within one year	7	4,178,883		4,182,464	
Net current liabilities			(4,178,883)		(4,182,464)
Total assets less current liabilities			(1,719,650)		(1,804,529)
Creditors: amounts falling due after more than one year	8	202,100		202,100	
Provisions for liabilities and charges	10	6,946		5,873	
			209,046		207,973
			<u>£(1,928,696)</u>		<u>£(2,012,502)</u>
Capital and reserves					
Called up share capital	12		2		2
Profit and loss account	13		(1,928,698)		(2,012,504)
Shareholders' funds	14		<u>£(1,928,696)</u>		<u>£(2,012,502)</u>

The financial statements were approved by the Board of Directors on 12 October 2000.



W M Griggs Chairman

The accompanying accounting policies and notes form an integral part of these financial statements.

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover and profit on ordinary activities are attributable to the activities of a property investment company.

The profit on ordinary activities is stated after:

	2000	1999
Auditors' remuneration	<u>£1,300</u>	<u>£1,550</u>

2 OTHER OPERATING INCOME AND CHARGES

	Note	2000 £	1999 £
Other operating charges		2,299	7,286
Depreciation	6	52,000	50,000
		<u>£54,299</u>	<u>£57,286</u>

3 NET INTEREST

	2000	1999
Other interest payable and similar charges	<u>£14,943</u>	<u>£17,880</u>

4 DIRECTORS AND EMPLOYEES

No director received remuneration from the company during the year. All staff costs were borne by the ultimate parent undertaking, R Griggs Group Limited.

The average number of employees of the company during the year was 4 (1999: 4).

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2000 £	1999 £
United Kingdom corporation tax @ 40% (1999: 44%)	55,489	59,246
Deferred tax (note 10)	1,073	740
	<u>£56,562</u>	<u>£59,986</u>

The above tax rate of 40% (1999: 44%) is higher than expected because of the expenditure on non-qualifying assets.

FERRERSMERE ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

6 TANGIBLE FIXED ASSETS

	Total £	Land and buildings Freehold £
Cost		
At 1 April 1999	2,722,981	2,722,981
Additions	133,298	133,298
At 31 March 2000	<u>£2,856,279</u>	<u>£2,856,279</u>
Depreciation		
At 1 April 1999	345,046	345,046
Provided in the year	52,000	52,000
At 31 March 2000	<u>£397,046</u>	<u>£397,046</u>
Net book amount at 31 March 2000	<u>£2,459,233</u>	<u>£2,459,233</u>
Net book amount at 31 March 1999	<u>£2,377,935</u>	<u>£2,377,935</u>

The gross amount of land and buildings on which depreciation is being provided is £2,606,280 (1999: £2,472,981).

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank overdraft	4,109,185	4,104,581
Amounts owed to parent undertakings	16,645	
Corporation tax	38,839	59,241
Social security and other taxes	2,983	9,968
Other creditors	9,231	6,674
Accruals and deferred income	2,000	2,000
	<u>£4,178,883</u>	<u>£4,182,464</u>

FERRERSMERE ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**2000 and 1999**

Unsecured loan stock	<u>£202,100</u>
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The unsecured loan stock represents a loan from a director, Mr W M Griggs. The loan is subject to interest at the rate of 2% above Lloyds TSB Bank plc base rate and is repayable on demand after more than 12 months.

9 BORROWINGS

Borrowings are repayable as follows:

	2000 £	1999 £
Within one year:		
Bank overdraft	4,109,185	4,104,581
After one and within two years:		
Other loans	202,100	202,100
	<u>£4,311,285</u>	<u>£4,306,681</u>

10 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation (note 11) £
At 1 April 1999	5,873
Provided during the year	1,073
At 31 March 2000	<u>£6,946</u>

11 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

	2000	1999
Accelerated capital allowances	<u>£6,946</u>	<u>£5,873</u>

FERRERSMERE ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2000

12 SHARE CAPITAL**2000 and 1999**

Authorised 500,000 ordinary shares of £1 each	<u>£500,000</u>
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Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>£2</u>
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13 RESERVES**Profit and
loss account
£**

At 1 April 1999	(2,012,504)
Transfer to reserves	83,806
At 31 March 2000	<u>£1,928,698</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year and net increase in shareholders' funds	83,806	74,458
Shareholders' funds at 1 April 1999	(2,012,502)	(2,086,960)
Shareholders' funds at 31 March 2000	<u>£(1,928,696)</u>	<u>£(2,012,502)</u>

15 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2000 or 31 March 1999.

16 CONTINGENT LIABILITIES

The company, together with other group undertakings, is party to unlimited multilateral guarantees given in respect of the bank loans and overdrafts of the participating companies. As at 31 March 2000 the total of the loans and overdrafts guaranteed by the company under this agreement amounted to £25,435,758 (1999: £28,109,473).

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2000

17 TRANSACTIONS WITH RELATED PARTIES

Transactions with group undertakings

As a wholly-owned subsidiary of R Griggs Group Limited, the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by R Griggs Group Limited.

Transactions with directors

Mr W M Griggs, a director, has loaned the company £202,100 (1999: £202,100). During the year loan interest of £14,943 (1999: £17,880) was paid and all of the loan is outstanding at the year end (1999: £202,100).

18 CONTROLLING RELATED PARTY

The ultimate parent undertaking and controlling related party of this company is R Griggs Group Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed up by R Griggs Group Limited.