



**FERRERSMERE ESTATES
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2001

FERRERSMERE ESTATES LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2001

Company registration number: 2303538

Registered office: Nene Park
Diamond Way
Irthlingborough
Northants
NN9 5QF

Directors: Mr W M Griggs (Chairman)
Mr S W Griggs
Mr M G Darnell
Mr H M Johnstone

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 2001

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FERRERSMERE ESTATES LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 March 2001

The directors present their report together with financial statements for the year ended 31 March 2001.

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 £77,957 (2000: £83,806). 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, apart from Mr M G Darnell and Mr H M Johnstone who were appointed to the Board on 1 April 2001 and Mrs B Y Griggs who resigned on 31 March 2001 and holds 13,012 ordinary shares including joint holdings of 8,444 ordinary shares.

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 directors in the shares of the company and its parent as at 1 April 2000 and 31 March 2001 are included below.

	Parent undertaking 2001 and 2000 Ordinary shares	The company 2001 and 2000 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)	-	-
Mr M G Darnell	-	-
Mr H M Johnstone	-	-

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 18 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

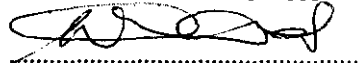
REPORT OF THE DIRECTORS

For the year ended 31 March 2001

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

3 December 2001

Registered office:

Nene Park
Diamond Way
Irthlingborough
Northants
NN9 5QF

**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 the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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 2001 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

3 December 2001

FERRERSMERE ESTATES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The financial statements have been prepared on a going concern. This may not be appropriate as the company is reliant on the continued financial support of other group companies and the bank.

At 31 March 2001 the company owed the bank £4,188,185. R Griggs Group Limited are willing to continue their support and the directors are confident that future liabilities will be met.

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 by equal annual instalments over their expected useful lives. The rate generally applicable is:

Freehold buildings	2% straight line method
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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 2001

	Note	2001 £	2000 £
Turnover	1	209,610	209,610
Other operating income and charges	2	<u>54,179</u>	<u>54,299</u>
Operating profit		155,431	155,311
Net interest	3	<u>13,829</u>	<u>14,943</u>
Profit on ordinary activities before taxation	1	141,602	140,368
Tax on profit on ordinary activities	5	63,645	56,562
Profit for the financial year	15	<u>77,957</u>	<u>83,806</u>

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

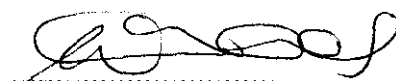
The accompanying accounting policies and notes form an integral part of these financial statements.

FERRERSMERE ESTATES LIMITED

BALANCE SHEET AT 31 MARCH 2001

	Note	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	6		2,409,735		2,459,233
Current assets					
Debtors	7	54,955			
Creditors: amounts falling due within one year	8	<u>4,306,305</u>		<u>4,178,883</u>	
Net current liabilities			<u>(4,251,350)</u>		<u>(4,178,883)</u>
Total assets less current liabilities			(1,841,615)		(1,719,650)
Creditors: amounts falling due after more than one year	9	-		202,100	
Provisions for liabilities and charges	11	<u>9,124</u>		<u>6,946</u>	
			9,124		209,046
			<u>(1,850,739)</u>		<u>(1,928,696)</u>
Capital and reserves					
Called up share capital	13		2		2
Profit and loss account	14		(1,850,741)		(1,928,698)
Shareholders' funds	15		<u>(1,850,739)</u>		<u>(1,928,696)</u>

The financial statements were approved by the Board of Directors on 3 December 2001.



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 2001

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:

	2001 £	2000 £
Auditors' remuneration	<u>1,400</u>	<u>1,300</u>

2 OTHER OPERATING INCOME AND CHARGES

	Note	2001 £	2000 £
Other operating charges		2,000	2,299
Depreciation	6	52,179	52,000
		<u>54,179</u>	<u>54,299</u>

3 NET INTEREST

	2001 £	2000 £
Other interest payable and similar charges	<u>13,829</u>	<u>14,943</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 (2000: 4).

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2001 £	2000 £
United Kingdom corporation tax @ 36% (2000: 40%)	-	55,489
Group relief	55,415	-
Deferred tax (note 11)	2,178	1,073
	<u>57,593</u>	<u>56,562</u>
Adjustments in respect of prior year:		
Corporation tax	(48,903)	-
Group relief	54,955	-
	<u>63,645</u>	<u>56,562</u>

The above tax rate of 36% (2000: 40%) is higher than expected because of the expenditure on non-qualifying assets.

6 TANGIBLE FIXED ASSETS

	Total £	Land and buildings Freehold £
Cost		
At 1 April 2000	2,856,279	2,856,279
Additions	2,681	2,681
At 31 March 2001	<u>2,858,960</u>	<u>2,858,960</u>
Depreciation		
At 1 April 2000	397,046	397,046
Provided in the year	52,179	52,179
At 31 March 2001	<u>449,225</u>	<u>449,225</u>
Net book amount at 31 March 2001	<u>2,409,735</u>	<u>2,409,735</u>
Net book amount at 31 March 2000	<u>2,459,233</u>	<u>2,459,233</u>

The gross amount of land and buildings on which depreciation is being provided is £2,608,961 (2000: £2,606,280).

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

For the year ended 31 March 2001

7 DEBTORS

	2001 £	2000 £
Other debtors	<u>54,955</u>	<u>-</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Bank overdraft	4,188,185	4,109,185
Amounts owed to group undertakings	110,370	16,645
Corporation tax	-	38,839
Social security and other taxes	5,750	2,983
Other creditors	-	9,231
Accruals and deferred income	2,000	2,000
	<u>4,306,305</u>	<u>4,178,883</u>

The bank overdraft is secured by an unlimited cross guarantee given by R Griggs Group Limited.

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2001 £	2000 £
Unsecured loan stock	<u>-</u>	<u>202,100</u>

The unsecured loan stock represents a loan from a director, Mr W M Griggs.

10 BORROWINGS

Borrowings are repayable as follows:

	2001 £	2000 £
Within one year:		
Bank overdraft	4,188,185	4,109,185
After one and within two years:		
Other loans	-	202,100
	<u>4,188,185</u>	<u>4,311,285</u>

FERRERSMERE ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 March 2001

11 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation (note 12) £
At 1 April 2000	6,946
Provided during the year	2,178
At 31 March 2001	<u>9,124</u>

12 DEFERRED TAXATION

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

	2001 £	2000 £
Accelerated capital allowances	<u>9,124</u>	<u>6,946</u>

13 SHARE CAPITAL

	2001 and 2000 £
Authorised 500,000 ordinary shares of £1 each	<u>500,000</u>
Allotted, called up and fully paid 2 ordinary shares of £1 each	<u>2</u>

14 RESERVES

	Profit and loss account £
At 1 April 2000	(1,928,698)
Profit for the financial year	77,957
At 31 March 2001	<u>(1,850,741)</u>

FERRERSMERE ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2001

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year and net increase in shareholders' funds	77,957	83,806
Shareholders' funds at 1 April 2000	(1,928,696)	(2,012,502)
Shareholders' funds at 31 March 2001	<u>(1,850,739)</u>	<u>(1,928,696)</u>

16 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2001 or 31 March 2000.

17 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 2001 the total of the loans and overdrafts guaranteed by the company under this agreement amounted to £17,565,203 (2000: £25,435,758)

18 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, previously loaned the company £202,100. During the year, all of the loan, together with interest of £13,829 (2000: £14,943) was repaid.

19 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 by R Griggs Group Limited.