

024-5911

**NORTH CHESHIRE PROPERTIES
LIMITED**

Report and Financial Statements

31 March 2003



NORTH CHESHIRE PROPERTIES LIMITED

CONTENTS

Page

Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	3
Independent auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the accounts	7

NORTH CHESHIRE PROPERTIES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

P J Kennedy
J G Kennedy
I G Seddon

SECRETARY

I G Seddon

REGISTERED OFFICE

78 Ashley Road
Hale
Altrincham
WA14 2UN

AUDITORS

Deloitte & Touche LLP
Manchester

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2003.

ACTIVITIES

The principal activity of the company is that of property investment and management.

REVIEW OF DEVELOPMENTS

The directors are satisfied with the result for the year. The one remaining property in the company was sold in May 2003 at its carrying value of £1.5 million. As a consequence from June 2003 the company will not trade.

DIVIDENDS AND TRANSFERS TO RESERVES

The results of the company for the period are set out on page 5. The directors recommend a dividend of £Nil be paid for the year (2002 - £Nil) and the retained profit of £96,323 (2002 - £134,764) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS


The directors who served during the year are shown on page 1.

J G Kennedy owned 1,785 shares in the company at 31 March 2003 (2002- same). The remaining directors had no interests in the shares of the company during the year. Directors interests in the shares of the ultimate parent company are disclosed in note 12 to the accounts.

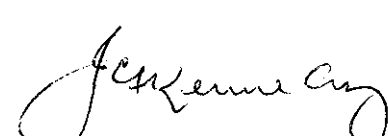
AUDITORS

On 1 August 2003, Deloitte & Touche, the Company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General

Approved by the Board of Directors
and signed on behalf of the Board



Secretary



STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTH CHESHIRE PROPERTIES LIMITED

We have audited the financial statements of North Cheshire Properties Limited for the year ended 31 March 2003 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

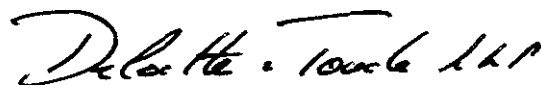
Basis of audit opinion

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 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche LLP

Chartered Accountants and Registered Auditors
Manchester

15 June 2004

NORTH CHESHIRE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT Year ended 31 March 2003

	Note	2003 £	2002 £
TURNOVER			
Administrative expenses	1	146,000 (8,473)	161,536 (9,735)
OPERATING PROFIT		137,527	151,801
Profit on sale of fixed assets		-	25,227
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	3 4	137,527 (41,204)	177,028 (42,264)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED FOR THE FINANCIAL YEAR		<u>96,323</u>	<u>134,764</u>

The above results relate to a continuing operation.

STATEMENT OF TOTAL RECONGISED GAINS AND LOSSES 31 March 2003

	2003 £	2002 £
Profit attributable to the shareholders	96,323	134,764
Unrealised surplus on revaluation of properties	200,000	-
Total recognised gains and losses for the year	<u>296,323</u>	<u>134,764</u>

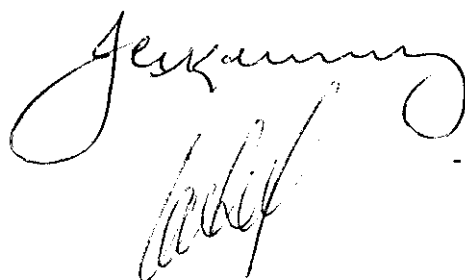
NORTH CHESHIRE PROPERTIES LIMITED

BALANCE SHEET 31 March 2003

	Note	£	2003 £	£	2002 £
FIXED ASSETS					
Investment properties	5		1,500,000		1,300,000
CURRENT ASSETS					
Debtors	6	605,773		536,943	
Cash at bank and in hand		816		470	
		<u>606,589</u>		<u>537,413</u>	
CREDITORS: amounts falling due within one year					
	7	<u>(59,725)</u>		<u>(87,705)</u>	
NET CURRENT ASSETS			<u>546,864</u>		<u>449,708</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,046,864		1,749,708
PROVISIONS FOR LIABILITIES AND CHARGES					
	8		<u>(51,592)</u>		<u>(50,759)</u>
			<u>1,995,272</u>		<u>1,698,949</u>
CAPITAL AND RESERVES					
Called up share capital	9		50,000		50,000
Revaluation reserve	10		1,041,905		841,905
Profit and loss account	10		<u>903,367</u>		<u>807,044</u>
Equity shareholders' funds			<u>1,995,272</u>		<u>1,698,949</u>

These financial statements were approved by the Board of Directors on 15 January 2004

Signed on behalf of the Board of Directors



- Director

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

1. ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below.

Turnover

Turnover represents rental income and service charges made to tenants.

Investment properties

In accordance with Statements of Standard Accounting Practice No.19 investment properties are revalued annually by the directors and at least every five years by an external valuer. The aggregate surplus or deficit arising on revaluation is transferred to revaluation reserve except for permanent shortfalls between cost and valuation on individual properties which are charged to profit and loss account.

The Companies Act 1985 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in SSAP 19. The directors consider that, because their properties are not held for consumption but for their investment potential, to depreciate them would not give as true and fair view, and that it is necessary to adopt SSAP 19 in order to give a true and fair view.

If this departure from the Act had not been made, the profit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Deferred taxation

Deferred taxation is provided in full on timing differences which represent a liability at the balance sheet date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets.

Pension costs

The expected cost of providing pensions, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll

Cashflow statement

The company has taken advantage of the exemption contained in FRS 1 (revised) – “Cashflow Statements” in not producing a cashflow statement as it qualifies as a small company.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Other than the directors there were no employees. The directors received no emoluments during the current and preceding year from this company.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003 £	2002 £
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration - audit	3,200	3,200

NORTH CHESHIRE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
United Kingdom corporation tax at 30% (2002 - 30%)		
Based on the profit for the year	40,425	47,405
Adjustments in respect of prior year	(54)	-
	<u>40,371</u>	<u>47,405</u>
Deferred taxation	833	(5,141)
	<u>41,204</u>	<u>42,264</u>

Circumstances affecting the current tax charge

The standard rate of current tax for the year, based on the UK standard rate of corporation tax, is 30% (2002 - 30%). The current tax charge for the year is lower than 30% (2002 - lower) for the reasons set out in the following reconciliation.

	2003 £	2002 £
Profit on ordinary activities before taxation	137,527	177,028
Tax at 30%	41,258	53,108
Capital allowances in excess of depreciation	(833)	5,141
Utilisation of tax losses	-	(7,567)
Small company relief	-	(3,277)
Prior year adjustment	(54)	-
Current tax charge for the year	<u>40,371</u>	<u>47,405</u>

5. INVESTMENT PROPERTIES

	Freehold land and buildings £
Valuation	
At 31 March 2002	1,300,000
Revaluation in the year	<u>200,000</u>
At 31 March 2003	<u>1,500,000</u>

At 31 March 2003, the properties were valued by the directors and considered to have a market value of £1,500,000. The historical cost of properties owned at 31 March 2003 was £458,095 (2002 - £458,095).

6. DEBTORS

	2003 £	2002 £
Amounts owed by group undertakings	605,773	533,370
Prepayments and accrued income	-	3,573
	<u>605,773</u>	<u>536,943</u>

NORTH CHESHIRE PROPERTIES LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003 £	2002 £
Corporation tax	19,425	47,405
Accruals and deferred income	40,300	40,300
	<u>59,725</u>	<u>87,705</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	£
Deferred taxation	
Balance at 1 April 2002	50,759
Current year charge	833
	<u>51,592</u>
Balance at 31 March 2003	<u>51,592</u>

The amounts provided in the accounts and the amounts not provided are as follows:

	Provided 2003 £	Provided 2002 £	Not Provided 2003 £	Not Provided 2002 £
Capital allowances in advance of depreciation	51,592	50,759	-	-
Revaluation reserve	-	-	200,000	200,000
	<u>51,592</u>	<u>50,759</u>	<u>200,000</u>	<u>200,000</u>

9. CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised 250,000 ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>
Called up, allotted and fully paid 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

10. RESERVES

	Revaluation reserve £	Profit and loss account £	Total £
At 31 March 2002	841,905	807,044	1,648,949
Retained profit for the year	-	96,323	96,323
Revaluation in the year	200,000	-	200,000
At 31 March 2003	<u>1,041,905</u>	<u>903,367</u>	<u>1,945,272</u>

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

11. CONTINGENT LIABILITIES

The company is liable under the group election scheme for the value added tax liabilities of other group companies. The contingent liability at 31 March 2003 amounted to £Nil (2002 - £Nil).

12. ULTIMATE PARENT COMPANY

Up to 31 March 2002 the company's immediate and ultimate parent company was P J Kennedy Investments Limited, a company registered and incorporated in the Isle of Man.

The issued share capital of P J Kennedy Investments Limited is held in trusts for members of the family of Mr P J Kennedy and Mr J G Kennedy.

On 31 March 2002, the whole of the issued share capital of the company was sold by P J Kennedy Investments Limited to PJKI Limited, a company incorporated and registered in England and Wales. PJKI Limited is now the immediate parent company and P J Kennedy Investments Limited is the ultimate holding company.

13. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in FRS 8 "Related Party Disclosures" in not disclosing details of transactions with other group companies as it is a 100% subsidiary.

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2003 £	2002 £
Profit for the financial year	96,323	134,764
Other recognised gains and losses for the year	200,000	-
	<hr/>	<hr/>
Net addition to shareholders' funds	296,323	134,764
Opening shareholders' funds	1,698,949	1,564,185
	<hr/>	<hr/>
Closing shareholders' funds	1,995,272	1,698,949
	<hr/>	<hr/>