

NORTHERN ENGLAND ESTATES LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 30 JUNE 2004



A37
COMPANIES HOUSE

ANZ4F4N6

0476
22/04/05

NORTHERN ENGLAND ESTATES LIMITED

I N D E X

Year ended 30 June 2004

	Page
General information	2
Report of the directors	3
Statement of directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Accounting policies	8
Notes to the financial statements	9

NORTHERN ENGLAND ESTATES LIMITED

GENERAL INFORMATION

Year ended 30 June 2004

Directors

R L J Grant
I D Grant
A C Zaphiriou-Zarifi

Secretary

J Oddie

Registered office

Grant House
56-60 St John Street
London
EC1M 4DT

Company number

2511913

Auditors

Dixon Wilson
(P O Box 900)
Rotherwick House
3 Thomas More Street
London
EIW 1YX

NORTHERN ENGLAND ESTATES LIMITED

REPORT OF THE DIRECTORS

Year ended 30 June 2004

The directors present their report and accounts for the year ended 30 June 2004.

Principal activity

The company's principal activity throughout the year was and will continue to be property investment.

Results and dividends

The company made a profit for the year of £14,866 (2003 - £54,402) which was transferred to reserves. In the opinion of the directors the company's results and future development are satisfactory.

The directors do not recommend payment of a dividend (2003 - £nil).

Directors and directors' interests

The directors who held office during the year are shown on page 2. The directors had no interest in the shares of the company.

All the directors are also directors of the holding company, Alpha Gamma Limited and their interests in the share capital of that company are disclosed in its accounts.

Political and charitable contributions

The company made no political or charitable contributions during the year.

Auditors

A resolution to re-appoint Dixon Wilson as auditors in accordance with Section 385 of the Companies Act 1985 will be proposed at the forthcoming annual general meeting.

On behalf of the board



I D GRANT
Director

London
11 APRIL 2005

NORTHERN ENGLAND ESTATES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Year ended 30 June 2004

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;
- 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.

NORTHERN ENGLAND ESTATES LIMITED

AUDITORS' REPORT

Year ended 30 June 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORTHERN ENGLAND ESTATES LIMITED

We have audited the financial statements of Northern England Estates Limited for the year ended 30 June 2004 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of investment properties) and 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 auditor's 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 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 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 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 affairs of the company as at 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



DIXON WILSON
Chartered Accountants and Registered Auditors
Rotherwick House
3 Thomas More Street
London E1W 1YX

17 APRIL 2004 S

NORTHERN ENGLAND ESTATES LIMITED**PROFIT AND LOSS ACCOUNT****Year ended 30 June 2004**

	Note	2004 £	2003 £
Turnover		21,012	39,840
Cost of sales		(4,340)	(6,612)
Gross profit		<u>16,672</u>	<u>33,228</u>
Administrative expenses		(1,052)	(1,151)
Operating profit	1	<u>15,620</u>	<u>32,077</u>
Profit/(loss) on sale of investment properties		2,941	(12,188)
Interest receivable		104	276
Interest payable	3	(39)	(3)
Income from shares in subsidiary undertaking		-	38,627
Profit on ordinary activities before taxation		<u>18,626</u>	<u>58,789</u>
Tax on profit on ordinary activities	4	(3,760)	(4,387)
Profit for the financial year		<u>14,866</u>	<u>54,402</u>
Retained profit/(loss) brought forward		6,408	(47,994)
Retained profit carried forward		<u>21,274</u>	<u>6,408</u>

The company has no recognised gains or losses other than the profit for the year and for the previous year.

All amounts relate to continuing activities.

NORTHERN ENGLAND ESTATES LIMITED**BALANCE SHEET****At 30 June 2004**

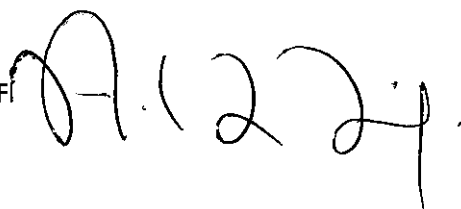
	Note	2004 £	2003 £
Fixed assets			
Tangible assets	5	183,081	226,331
Investments	6	2	2
		<u>183,083</u>	<u>226,333</u>
Current assets			
Debtors	7	486	-
Cash at bank and in hand		6,780	12,773
		<u>7,266</u>	<u>12,773</u>
Creditors: amounts falling due within one year	8	(119,075)	(182,698)
Net current liabilities		<u>(111,809)</u>	<u>(169,925)</u>
Total assets less current liabilities		<u>71,274</u>	<u>56,408</u>
Capital and reserves			
Called up share capital	9	50,000	50,000
Profit and loss account	10	21,274	6,408
Equity shareholders' funds	11	<u>71,274</u>	<u>56,408</u>

The financial statements on pages 6 to 11 were approved by the board of directors on 11 April 2005 and were signed on its behalf by:-

R L J GRANT
Director



A C ZAPHIRIOU-ZARIFI
Director



NORTHERN ENGLAND ESTATES LIMITED

ACCOUNTING POLICIES

Year ended 30 June 2004

The particular accounting policies adopted are described below.

Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of investment properties.

Group accounts

The company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group accounts.

Cash flow statement

In accordance with the requirement of Financial Reporting Standard No 1 (Cash flow statements - Revised) the company has not prepared a cash flow statement on the basis that it is a wholly owned subsidiary and hence its cash flows are included in the consolidated cash flow statement of its parent company.

Turnover

Turnover represents rent receivable stated net of value added tax.

Related party transactions

As the company is a wholly owned subsidiary of Alpha Gamma Limited the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Alpha Gamma Limited, within which this company is included, can be obtained from the address given in note 12.

Investment properties

In accordance with Statement of Standard Accounting Practice No 19, investment properties are carried at open market value.

These are revalued annually by the directors and the aggregate surplus or deficit is transferred to the revaluation reserve. Where the diminution in value is deemed to be permanent the deficit is charged to the profit and loss account. No provision for depreciation or amortisation is made. This is a departure from the requirement of the Companies Act 1985 which requires all properties to be depreciated. The directors consider this accounting policy results in the accounts giving a true and fair view. Depreciation or amortisation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred Taxation

Provision is made for deferred tax liabilities in respect of all material timing differences arising from the different treatment of items for accounting and taxation purposes without discounting.

Deferred tax assets in respect of such differences are recognised to the extent that they are regarded as being, more likely than not, recoverable in the short term, and are not discounted.

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

1. Operating profit	2004	2003
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	<u>1,000</u>	<u>1,000</u>
2. Remuneration of directors and staff costs		
No directors received any emoluments during the year. The company did not employ any staff during the year.		
3. Interest payable and similar charges	2004	2003
	£	£
Bank overdrafts	<u>39</u>	<u>3</u>
4. Tax on profit on ordinary activities		
(a) Analysis of charge in period		
Current tax:		
UK corporation tax on profits for the year	3,760	4,385
Adjustments in respect of previous periods	-	2
Tax on profit on ordinary activities (note 4(b))	<u>3,760</u>	<u>4,387</u>
(b) Factors affecting the tax credit for the period		
Profit on ordinary activities before tax	<u>18,626</u>	<u>58,789</u>
Profit for the year multiplied by the small companies rate of UK corporation tax in the UK of 19%	3,539	11,170
Effects of:		
Income not taxable	-	(7,339)
Losses surrendered to group companies	9,103	13,579
Losses carried forward	-	14,348
Disposal of impaired properties	(8,882)	(27,373)
Adjustments in respect of previous periods	-	2
Current tax charge for the period (note 4(a))	<u>3,760</u>	<u>4,387</u>

NORTHERN ENGLAND ESTATES LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Year ended 30 June 2004**

5. Tangible fixed assets – investment property	Freehold land and buildings £
Cost or valuation at 30 June 2003	226,331
Disposals	(43,250)
Cost or valuation at 30 June 2004	<u>183,081</u>

The investment properties are included at the directors' valuation at 30 June 2004 on the basis of open market value. The properties' historical cost is £230,114 (2003 - £320,113).

No corporation tax would become payable if the properties were sold at the values at which they are stated in the balance sheet (2003 - £nil).

6. Fixed asset investments	2004 £	2003 £
Shares in subsidiary undertaking at costs	<u>2</u>	<u>2</u>

The company held 100% of the £1 ordinary shares of Northern England Property Company Limited, which is registered in England and Wales and is a property development company.

7. Debtors: due within one year	2004 £	2003 £
Other debtors	<u>486</u>	<u>-</u>

8. Creditors: amounts falling due within one year		
Due to group undertaking	111,502	174,501
Corporation tax	3,760	4,385
Accruals and deferred income	3,813	3,812
	<u>119,075</u>	<u>182,698</u>

9. Called up share capital		
Authorised, allotted, issued and fully paid 50,000 ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

NORTHERN ENGLAND ESTATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

10. Reserves	Profit and loss account £
At 1 July 2003	6,408
Profit for the year	<u>14,866</u>
At 30 June 2004	<u>21,274</u>

11. Reconciliation of movements in shareholders' funds	2004 £	2003 £
Opening shareholders' funds	56,408	2,006
Profit for the year	<u>14,866</u>	<u>54,402</u>
Closing shareholders' funds	<u>71,274</u>	<u>56,408</u>

12. Ultimate parent company

The ultimate parent and controlling company is Alpha Gamma Limited a company incorporated and registered in England. Copies of the consolidated accounts of Alpha Gamma Limited are available from its registered office at 56-60 St John Street, London, EC1M 4DT.
