

BRIAR HILL COURT LIMITED

Report and Financial Statements

Year ended 30 June 2004



BRIAR HILL COURT LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

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BRIAR HILL COURT LIMITED

REPORT AND FINANCIAL STATEMENTS 2004

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

H.N. Moser
S.E. Kramrisch
G.D. Beckett
M.R. Goldberg

SECRETARY

G.D. Beckett

REGISTERED OFFICE

Bracken House
Charles Street
Manchester
M1 7BD

PRINCIPAL BANKERS

Bank of Scotland Corporate Banking
9th Floor
No. 1 Marsden Street
Manchester
M2 1HW

AUDITORS

Deloitte & Touche LLP
Manchester

BRIAR HILL COURT LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 30 June 2004.

PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE PROSPECTS

The principal activity of the company continues to be the development and rental of residential flats.

The directors are satisfied with the performance of the company and look forward to the future with confidence.

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 30 June 2004 are set out on pages 5 to 11 . The profit for the year after tax was £180,698 (2003 - £182,174).

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

DIRECTORS AND THEIR INTERESTS

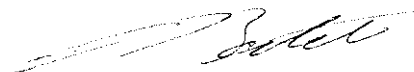
The directors of the company are set out on page 1. All directors served throughout the year.

Mr. H.N. Moser is a director of Jerrold Holdings plc, the ultimate parent company, and his interests in the share capital of that company are disclosed in its financial statements. None of the other directors have interests in the share capital of the company, or any other interests required to be disclosed under Schedule 7 of the Companies Act 1985. No director has, or had, any material interest in any contract or agreement entered into by the company during the year.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

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



G.D. Beckett
Secretary

27 April 2005

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 subject to any material departures disclosed and explained in the financial statements; and
- 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 establishing and maintaining the system of internal control, 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 BRIAR HILL COURT LIMITED

We have audited the financial statements of Briar Hill Court Limited for the year ended 30 June 2004 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 18. 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 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 30 June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

28 April 2005

BRIAR HILL COURT LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 June 2004

	Note	2004 £	2003 £
TURNOVER	2	424,194	434,532
Administrative expenses		(172,935)	(179,502)
OPERATING PROFIT		251,259	255,030
Interest payable and similar charges	5	(11,298)	(13,644)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	239,961	241,386
Tax on profit on ordinary activities	6	(59,263)	(59,212)
RETAINED PROFIT FOR THE FINANCIAL YEAR	13	180,698	182,174

All activity has arisen from continuing operations.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 30 June 2004

	2004 £	2003 £
Profit for the financial year	180,698	182,174
Unrealised surplus on revaluation of investment properties	-	500,000
Total recognised gains and losses for the year	180,698	682,174


BRIAR HILL COURT LIMITED

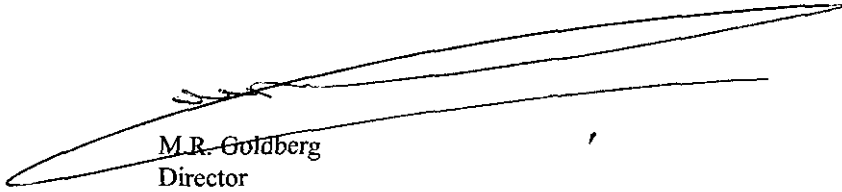
BALANCE SHEET 30 June 2004

	Note	2004 £	2003 £
FIXED ASSETS			
Investment properties	7	2,000,000	2,000,000
Other tangible fixed assets	8	3,518	5,004
		<u>2,003,518</u>	<u>2,005,004</u>
CURRENT ASSETS			
Debtors			
- due within one year	9	1,372,983	878,772
- due after one year	9	487	555
Cash at bank and in hand		74,097	276,997
		<u>1,447,567</u>	<u>1,156,324</u>
CREDITORS: Amounts falling due within one year	10	<u>(1,460,709)</u>	<u>(1,351,650)</u>
NET CURRENT LIABILITIES		<u>(13,142)</u>	<u>(195,326)</u>
NET ASSETS		<u>1,990,376</u>	<u>1,809,678</u>
CAPITAL AND RESERVES			
Called up share capital	12	2	2
Revaluation reserve	13	984,446	984,446
Profit and loss account	13	1,005,928	825,230
EQUITY SHAREHOLDER'S FUNDS	14	<u>1,990,376</u>	<u>1,809,678</u>

These financial statements were approved by the Board of Directors on 27 April 2005.

Signed on behalf of the Board of Directors


G.D. Beckett
Director


M.R. Goldberg
Director

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the current year and the prior year.

Accounting convention

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

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation, and any provision for impairment.

Depreciation is provided evenly on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rate used is:

Plant and equipment	20% on cost
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Turnover

Turnover is derived wholly in the UK and represents rental income relating to the financial year excluding VAT.

Investment property

A valuation of investment properties is made annually at the balance sheet date by the directors, at open market value. A valuation is conducted by external Chartered Surveyors on a periodic basis. Changes in the market value of investment properties are accounted for by way of a movement in revaluation reserve and are included in the statement of total recognised gains and losses unless a deficit (or its reversal) on an individual investment property is expected by the directors to be permanent, in which case the change in market value is charged (credited) to the profit and loss account. On disposal, the cumulative revaluation surpluses or deficits are transferred from the revaluation reserve to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 30 June 2004

1. ACCOUNTING POLICIES (continued)

Investment property (continued)

In accordance with SSAP19 no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. The requirement of the Companies Act 1985 is to depreciate all properties, but that requirement conflicts with the generally accepted accounting principle set out in SSAP19. The directors consider that, as these properties are not held for consumption but for investment, to depreciate them would not give a true and fair view, and that it is necessary to adopt SSAP19 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 decreased by depreciation. However, the amount of depreciation cannot reasonably be quantified, because of the lack of analysis of the cost/value between land and buildings.

2. TURNOVER

Turnover is wholly-derived from within the UK and relates to the principal activity of the company.

3. STAFF COSTS

The company had no employees and paid no directors' emoluments during either year.

4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004	2003
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Depreciation on owned assets	1,486	2,458
Auditors' remuneration		
- audit	-	515
- non-audit	-	-
	<u> </u>	<u> </u>

In the current year the audit fee was borne by another group undertaking.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Intragroup loans	<u>11,298</u>	<u>13,644</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge comprises:

	2004	2003
	£	£
Current tax		
UK corporation tax	59,195	59,432
Deferred tax		
Origination and reversal of timing differences (see note 11)	<u>68</u>	<u>(220)</u>
Total tax on profit on ordinary activities	<u>59,263</u>	<u>59,212</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2004	2003
	£	£
Profit on ordinary activities before tax	239,961	241,386
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2003 – 30%)	71,988	72,416
Effects of:		
Expenses not deductible for corporation tax	(12,726)	(13,036)
Capital allowances in excess of depreciation	(68)	52
Other	1	-
Current tax charge for year	59,195	59,432

There is no unprovided deferred tax at the year end (2003 - £Nil).

7. INVESTMENT PROPERTIES

	Long leasehold property £
Cost or valuation	
At 1 July 2003 and 30 June 2004	2,000,000

The investment property was valued on an open market basis by Roger Hannah & Co. an external valuer, a member of the Royal Institute of Chartered Surveyors as at 30 June 2003. In the opinion of the directors these valuations continue to reflect the open market value of the properties at 30 June 2004. Had the property not been revalued it would be included in the financial statements at £1,015,554 (2003 - £1,015,554).

8. OTHER TANGIBLE FIXED ASSETS

	Plant and equipment £
Cost	
At 1 July 2003 and 30 June 2004	105,660
Depreciation	
At 1 July 2003	100,656
Charge for the year	1,486
At 30 June 2004	102,142
Net book value	
At 30 June 2004	3,518
At 30 June 2003	5,004

BRIAR HILL COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

9. DEBTORS

	2004 £	2003 £
Amounts falling due within one year:		
Amounts owed by fellow group undertakings	1,364,990	868,993
Prepayments and accrued income	7,993	9,779
	<u>1,372,983</u>	<u>878,772</u>
Amounts falling due after more than one year:		
Deferred taxation (see note 11)	487	555
	<u>1,373,470</u>	<u>879,327</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Amounts owed to group undertakings	1,366,220	1,259,909
Corporation tax	59,195	59,432
Accruals and deferred income	35,294	32,309
	<u>1,460,709</u>	<u>1,351,650</u>

11. DEFERRED TAXATION

	£
Balance at 1 July 2003	555
Charge to profit and loss account	(68)
	<u>487</u>
Balance at 30 June 2004	<u>487</u>

The amounts provided in the financial statements comprising a full provision are as follows:

	2004 £	2003 £
Depreciation in advance of capital allowances	<u>487</u>	<u>555</u>

The directors believe that future profitability will be sufficient to ensure the recoverability of the deferred taxation asset.

12. CALLED UP SHARE CAPITAL

	2004 £	2003 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

BRIAR HILL COURT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2004

13. RESERVES

	Investment property revaluation reserve £	Profit and loss account £	Total £
At 1 July 2003	984,446	825,230	1,809,676
Retained profit for the financial year	-	180,698	180,698
At 30 June 2004	984,446	1,005,928	1,990,374

14. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER'S FUNDS

	2004 £	2003 £
Profit for the financial year	180,698	182,174
Other recognised gains and losses relating to the year	-	500,000
Net addition to equity shareholder's funds	180,698	682,174
Opening equity shareholder's funds	1,809,678	1,127,504
Closing equity shareholder's funds	1,990,376	1,809,678

15. CONTINGENT LIABILITY

The company's assets are subject to a fixed and floating charge in respect of £206 million of bank borrowings of the group (2003 - £141 million).

16. CASH FLOW STATEMENT

As permitted by FRS 1 (Revised 1996) "cash flow statements", the company has not produced a cash flow statement, as it is a wholly owned subsidiary undertaking of Jerrold Holdings plc which has produced consolidated financial statements that are publicly available.

17. RELATED PARTY TRANSACTIONS

As a subsidiary undertaking of Jerrold Holdings plc, the company has taken advantage of the exemption in FRS 8, "Related party disclosures" not to disclose transactions with other members of the group headed by Jerrold Holdings plc.

18. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary undertaking of Jerrold Holdings plc a company incorporated in Great Britain and registered in England and Wales.

The largest and smallest group of which Briar Hill Court Limited is a member, and for which group financial statements are drawn up, is that headed by Jerrold Holdings plc, whose principal place of business is at Bracken House, Charles Street, Manchester, M1 7BD.