


THE ARMOURERS HALL COMPANY LIMITED

Report and Accounts

31 March 2001

 ERNST & YOUNG



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COMPANIES HOUSE 01/11/01

The Armourers Hall Company Limited

Registered No. 2800134

DIRECTORS

Ven. C J H Wagstaff
Rear Adm. J P W Middleton
R A Crabb

SECRETARY

Cmdr. T J K Sloane

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS

National Westminster Bank PLC
94 Moorgate
London EC2M 6XT

STOCKBROKERS

Cazenove & Co.
12 Tokenhouse Yard
London EC2R 7AN

REGISTERED OFFICE

Armourers Hall
81 Coleman Street
London EC2R 5BJ

The Armourers Hall Company Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 2001.

RESULTS AND DIVIDENDS

The profit for the year after taxation was £ 49,285 (2000 - loss £4,695)

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is managing the operating activities of the properties owned by the company. The directors intend to continue that activity for the foreseeable future.

FIXED ASSETS

Details of the fixed assets are given in note 6 to the accounts.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows :

Ven. C J H Wagstaff
G A Garnett (resigned 7 July 2000)
Rear Adm. J P W Middleton
R A Crabb

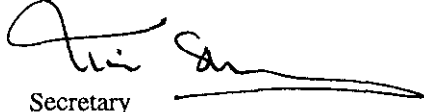
None of the directors had any beneficial interest in the share capital of the company during the year.

AUDITORS

Ernst & Young will continue in office as auditors as provided for under section 386 of the Companies Act 1985.

Ernst & Young has stated that, during 2001, it is intending to transfer its business to a limited liability partnership, incorporated under the Limited Liability Partnerships Act 2000, to be called Ernst & Young LLP. If this happens, it is the current intention of the directors to use their statutory powers to treat the appointment of Ernst & Young as extending to Ernst & Young LLP.

By order of the board


Secretary

14 June 2001

The Armourers Hall Company Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS**To the members of The Armourers Hall Company Limited**

We have audited the accounts on pages 5 to 13, which have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts 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 accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

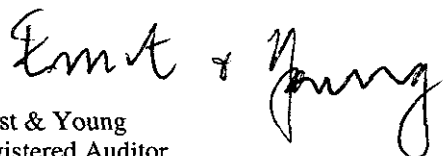
Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as 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.



Ernst & Young
Registered Auditor
London

14 June 2001

The Armourers Hall Company Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2001

		<i>Year ended 31 March 2001</i>	<i>Year ended 31 March 2000</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
TURNOVER	2	299,259	302,721
Administrative expenses	3	(415,499)	(417,550)
		<u>(116,240)</u>	<u>(114,829)</u>
Other operating income	4	180,390	109,740
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>64,150</u>	<u>(5,089)</u>
Tax on profit/(loss) on ordinary activities	5	(14,865)	394
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	14	<u>49,285</u>	<u>(4,695)</u>
RETAINED EARNINGS BROUGHT FORWARD		<u>108,240</u>	<u>112,935</u>
RETAINED EARNINGS CARRIED FORWARD		<u><u>157,525</u></u>	<u><u>108,240</u></u>

The Armourers Hall Company Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2001

		<i>Year ended</i> <i>31 March</i> <i>2001</i>	<i>Year ended</i> <i>31 March</i> <i>2000</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
Profit/(loss) for the financial year on ordinary activities		49,285	(4,695)
Unrealised deficit on revaluation of properties	13	–	(75,000)
Deferred taxation	13	10,045	29,616
Unrealised profit/(loss) on investments	13	33,853	(54,211)
Current taxation on government bonds		(6,771)	10,842
Total recognised gains and losses		<u>86,412</u>	<u>(93,448)</u>


The Armourers Hall Company Limited

BALANCE SHEET

at 31 March 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible fixed assets	6	1,775,001	1,775,001
Investments	7	2,242,755	2,312,974
		<u>4,017,756</u>	<u>4,087,975</u>
CURRENT ASSETS			
Stock		4,700	3,596
Debtors	8	34,429	62,638
Cash at bank and in hand		528,482	380,208
		<u>567,611</u>	<u>446,442</u>
CREDITORS: amounts falling due within one year	9	(54,468)	(79,885)
NET CURRENT ASSETS		<u>513,143</u>	<u>366,557</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,530,899</u>	<u>4,454,532</u>
CREDITORS: amounts falling due after more than one year	10	(2,642,916)	(2,642,916)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	11	(77,289)	(87,334)
		<u>1,810,694</u>	<u>1,724,282</u>
CAPITAL AND RESERVES			
Equity share capital	12	1,000,002	1,000,002
Revaluation reserve	13	653,167	616,040
Profit and loss account		157,525	108,240
Equity Shareholders' Funds		<u>1,810,694</u>	<u>1,724,282</u>

Approved by the board on 14 June 2001 and signed on its behalf



Director

The Armourers Hall Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention modified by the revaluation of fixed assets and in accordance with applicable accounting standards.

Investment properties

In accordance with Statement of Standard Accounting Practice No. 19 investment properties are revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve and no depreciation is provided in respect of freehold investment properties.

The directors consider that this accounting policy results in the accounts giving a true and fair view.

Listed investments

Investments are shown at market value based on the middle market price quoted on the London Stock Exchange.

Statement of cash flows

A statement of cash flows is not presented as the company is exempt as a small company in accordance with Financial Reporting Standard No. 1.

Repairs and maintenance

Repairs and maintenance costs of the company's properties are written off in the profit and loss account as incurred.

Investment income

Investment income is recognised when receivable.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Pensions

The company operates a defined contribution pension scheme for certain employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Stocks

Stocks are stated at the lower of cost and net realisable value.

2. TURNOVER

Turnover represents the invoiced value of amounts received and receivable in respect of the letting of the company's properties.

The Armourers Hall Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

3. ADMINISTRATIVE EXPENSES

These include:

	<i>Year ended 31 March 2001 £</i>	<i>Year ended 31 March 2000 £</i>
Auditors' remuneration	4,406	6,756
Staff costs:		
Wages and salaries	149,894	139,111
Social security costs	15,078	13,834
Other pension costs	14,889	9,854
	<u>179,861</u>	<u>162,799</u>

The average weekly number of employees during the year was made up as follows:

	<i>No.</i>	<i>No.</i>
Office and management	1	1
Operational	5	5
	<u>6</u>	<u>6</u>

The directors received no remuneration for their services during the year.

4. OTHER OPERATING INCOME

	<i>Year ended 31 March 2001 £</i>	<i>Year ended 31 March 2000 £</i>
Income from Government Securities	164,245	137,226
Other interest receivable	20,217	9,810
(Loss)/gain on sale of investments	(4,072)	(37,296)
	<u>180,390</u>	<u>109,740</u>

The Armourers Hall Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

5. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Tax charge based on the results of the year:

	Year ended 31 March 2001 £	Year ended 31 March 2000 £
Corporation tax at 20% (2000 – 20%)	14,865	(827)
Underprovision in prior years		433
	<u>14,865</u>	<u>(394)</u>

6. TANGIBLE FIXED ASSETS

	2001 £	Freehold land and buildings 2000 £
Investment properties valuation:		
At 31 March 2000	1,775,001	1,850,001
Additions at cost	–	–
Revaluation deficit for the year	–	(75,000)
At 31 March 2001	<u>1,775,001</u>	<u>1,775,001</u>

The valuation was carried out by DTZ Tie Leung, Chartered Surveyors, and is stated at market value at the year end.

7. INVESTMENTS

	2001 £	Government securities 2000 £
At valuation:		
At 31 March 2000	2,312,974	2,594,681
Disposals	(104,072)	(227,496)
Revaluation surplus/(deficit)	33,853	(54,211)
At 31 March 2001	<u>2,242,755</u>	<u>2,312,974</u>

The Armourers Hall Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

8. DEBTORS

	2001	2000
	£	£
Taxation recoverable	-	32,575
Trade debtors	13,695	11,400
Prepayments and accrued income	3,473	16,552
Other debtors	1,203	817
Due from parent undertaking	16,058	1,294
	<u>34,429</u>	<u>62,638</u>

9. CREDITORS: amounts falling due within one year

	2001	2000
	£	£
Other creditors	19,517	20,271
Accruals and deferred income	30,986	55,387
Other taxes and social security costs	3,965	4,227
	<u>54,468</u>	<u>79,885</u>

10. CREDITORS: amounts falling due after more than one year

	2001	2000
	£	£
Amounts due to parent undertaking	<u>2,642,916</u>	<u>2,642,916</u>

The parent undertaking has indicated that the amounts will not be called within one year and there is no interest payable.

11. DEFERRED TAXATION

Deferred taxation provided in the accounts and the potential amounts are as follows:

	<i>Potential and provided at</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2001</i>	<i>2000</i>
	£	£
Capital gains tax on disposal of fixed assets	<u>77,289</u>	<u>87,334</u>

The Armourers Hall Company Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

12. EQUITY SHARE CAPITAL

	<i>Authorised 2001 & 2000 £</i>	<i>Allotted, called up and fully paid 2001 & 2000 £</i>
Ordinary shares of £1 each	5,000,000	1,000,002

13. REVALUATION RESERVE

	<i>2001 £</i>	<i>2000 £</i>
At 31 March 2000	616,040	704,793
Changes in the year	37,127	(88,753)
At 31 March 2001	653,167	616,040
	<i>2001 £</i>	<i>2000 £</i>
Changes in the year:		
Arising on the revaluation of freehold land and buildings	—	(75,000)
Arising on revaluation of investments	33,853	(54,211)
Transfer from/(to) deferred taxation	10,045	29,616
Current taxation on government bonds	(6,771)	10,842
	37,127	(88,753)

14. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Revaluation reserve £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 31 March 1999	1,000,002	704,793	112,935	1,817,730
Loss for the year	—	—	(4,695)	(4,695)
Movement on revaluation reserve (note 13)	—	(88,753)	—	(88,753)
At 31 March 2000	1,000,002	616,040	108,240	1,724,282
Profit for the year	—	—	49,285	49,285
Movement on revaluation reserve (note 13)	—	37,127	—	37,127
At 31 March 2001	1,000,002	653,167	157,525	1,810,694

15. CAPITAL COMMITMENTS

There are no capital commitments contracted for, or authorised by the directors but not contracted for, at 31 March 2001 (2000 – £nil).

The Armourers Hall Company Limited

NOTES TO THE ACCOUNTS at 31 March 2001

16. PENSION COMMITMENTS

The company operates a defined contribution scheme for its employees. Premiums paid in the year amounted to £ 14,899 (2000 – £9,854).

There are no outstanding or pre-paid contributions at 31 March 2001. The assets of the scheme are held separately from those of the company.

17. RELATED PARTIES

The company is a wholly owned subsidiary of the Worshipful Company of Armourers and Brasiers, a company incorporated by Royal Charter in 1453.

During the year the parent charged £38,946 (2000 – £48,764) for overheads and was charged £30,000 (2000 – £30,000) for the use of the premises.