

Company Registration Number 2925642

WHITETREE GROUP LIMITED

ACCOUNTS

For the year ended 31 March 2004

C L B
Chartered Accountants
MANCHESTER



WHITETREE GROUP LIMITED

Directors

**Sir Hugh Sykes
D F A Frith**

Secretary

B W Evans

Auditors

**CLB
Century House
11 St Peter's Square
Manchester
M2 3DN**

Bankers

**Barclays Bank PLC
Commercial Street
Sheffield
S1 1NG**

Registered Office

**Bamford Hall
The Hollow
Bamford
Hope Valley
S33 0AU**

WHITETREE GROUP LIMITED

Report of the Directors

The Directors submit their report to the shareholders, together with the audited accounts, for the year ended 31 March 2004.

Principal Activity

The principal activity of the Company is the commercial rental and development of property.

Board of Directors

The Directors who served during the year were as follows and details of their interest in the share capital of the Company are shown below :

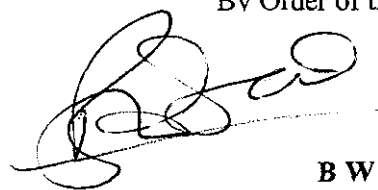
	2004	2003
Sir Hugh Sykes	177,504	177,504
D F A Frith	177,504	88,752

Auditors

CLB have indicated their agreement to continue in office and a resolution to re-appoint them as auditors to the Company will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board



B W EVANS
Secretary

21 October 2004

WHITETREE GROUP LIMITED

Statement of Directors' Responsibilities

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 year. 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
- follow applicable accounting standards subject to any material departure disclosed and explained in the accounts.
- 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 Shareholders of WHITETREE GROUP LIMITED

For the year ended 31 March 2004

We have audited the financial statements on pages 5 to 10.

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 audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The director's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Director's Responsibilities on page 3.

It is our responsibility 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 other information contained only in the directors' report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 circumstances of the Company, 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 at 31st March 2004 and of the profit for the year then ended, and have been prepared in accordance with the provisions of the Companies Act 1985.

CLB
CLB

21 October 2004

Chartered Accountants
Registered Auditors

WHITETREE GROUP LIMITED**Profit and Loss Account****For the year ended 31 March 2004**

	Note	2004 £	2003 £
Turnover			
Rental income		77,312	141,485
Administrative expenses		(1,096)	(14,986)
Operating profit	1	76,216	126,499
Profit from sale of investments		-	159,965
Profit on sale of leasehold property		-	129,375
Profit on ordinary activities before interest		76,216	415,839
Net interest receivable		48,534	20,987
Profit on ordinary activities before taxation		124,750	436,826
Taxation on ordinary activities	2	(23,948)	(74,426)
Profit on ordinary activities after taxation		100,802	362,400
Dividends paid		(105,000)	(123,820)
Retained (loss)/profit	9	(4,198)	238,580

All activities are continuing operations

Statement of Total Recognised Gains and Losses**For the year ended 31 March 2004**

(Loss)/profit for the financial year	(4,198)	238,580
Unrealised profit on revaluation of investment property	428,492	-
Total gains and losses recognised since the last annual report	424,294	238,580

WHITETREE GROUP LIMITED

Balance Sheet

At 31 March 2004

	Note	2004 £	2003 £
Fixed assets			
Tangible assets	3	925,225	497,092
		925,225	497,092
Current assets			
Debtors	4	147,181	1,162,210
Cash at bank and building societies		927,374	225
		1,074,555	1,162,435
Creditors			
Due within one year	5	(61,732)	(145,773)
Net current assets (liabilities)		1,012,823	1,016,662
Total assets less current liabilities		1,938,048	1,513,754
Capital and reserves			
Called up share capital	6	88,752	88,752
Share premium account	7	266,250	266,250
Revaluation reserve	8	428,492	-
Profit and loss account	9	1,154,554	1,158,752
Equity Shareholders' funds		1,938,048	1,513,754

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on

21 October 2004

D F A Frith

D F A FRITH

Director

WHITETREE GROUP LIMITED

Statement of Accounting Policies

Accounting convention

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

Turnover

Turnover represents the rental income received from investment properties and is stated net of VAT.

Depreciation

Freehold investment properties are not depreciated.

Investment properties, as defined in Statement of Standard Accounting Practice No.19, are revalued annually. The aggregate surplus or deficit is transferred to the investment property revaluation reserve and any deficit exceeding the existing reserve is charged directly to the profit and loss account in the year.

The requirement of the Companies Act 1985 is to depreciate all properties but that requirement conflicts with the generally accepted principle set out in SSAP 19. 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 SSAP 19 in order to give a true and fair view.

Other fixed assets are written off in equal annual instalments over their estimated useful lives, the principal rates applied being :

Fixtures & fittings	10% - 25%
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Deferred taxation

Deferred taxation is provided on all timing differences to the extent that it is anticipated to be payable in the foreseeable future.

Rental income

Rental income is credited to the profit and loss account in the period in which it falls due.

Cashflow statement

The company has taken advantage of the exemptions conferred by Financial Reporting Standard No 1 and has not produced a cashflow statement on the grounds that it is a small company.

WHITETREE GROUP LIMITED**Notes on the Accounts****At 31 March 2004**

	2004 £	2003 £
1 Operating profit		
Operating profit is stated after charging :		
Auditors' remuneration	3,000	3,000
Depreciation	359	444

2 Taxation

UK corporation tax at 30%	23,948	74,426
Prior year adjustment	-	-
	<u>23,948</u>	<u>74,426</u>

The amount of deferred tax unprovided on revalued assets amounts to approximately £94,000 at 31 March 2004.

3 Tangible fixed assets

	Freehold land & buildings £	Fixtures & fittings £	Total £
Cost :			
At 1 April 2003	496,508	2,438	498,946
Additions	-	-	-
Revaluation in year	428,492	-	428,492
At 31 March 2004	<u>925,000</u>	<u>2,438</u>	<u>927,438</u>
Depreciation :			
At 1 April 2003	-	1,854	1,854
Depreciation for the year	-	359	359
At 31 March 2004	<u>-</u>	<u>2,213</u>	<u>2,213</u>
Net book value :			
At 31 March 2004	<u>925,000</u>	<u>225</u>	<u>925,225</u>
At 31 March 2003	<u>496,508</u>	<u>584</u>	<u>497,092</u>

The directors have taken advice on the valuation of the freehold land and buildings and, on the basis of this advice, have revalued them as at 31 March 2004 at £925,000.

WHITETREE GROUP LIMITED

Notes on the Accounts

(continued)

At 31 March 2004

	2004 £	2003 £
4 Debtors		
Loans	-	650,000
Corporation tax recoverable	125,000	-
Trade debtors	22,179	19,237
Other debtors	2	492,973
	<u>147,181</u>	<u>1,162,210</u>
5 Creditors		
Due within one year :		
Bank overdraft	-	265
Trade creditors	2,856	-
Corporation tax	23,948	74,426
Other taxation and social security	3,241	5,723
Other creditors	-	10,000
Accruals and deferred income	31,687	55,359
	<u>61,732</u>	<u>145,773</u>
6 Share capital		
Authorised, allotted, called up and fully paid		
177,504 'A' ordinary shares of 25p	44,376	44,376
177,504 'B' ordinary shares of 25p	44,376	44,376
	<u>88,752</u>	<u>88,752</u>
7 Share premium account		
At 1 April 2003 and 31 March 2004	<u>266,250</u>	<u>266,250</u>
8 Revaluation reserve		
Surplus on revaluation in year	<u>428,492</u>	-
9 Profit and loss account		
At 1 April 2003	1,158,752	920,172
(Loss)/profit for the year retained	(4,198)	238,580
At 31 March 2004	<u>1,154,554</u>	<u>1,158,752</u>

WHITETREE GROUP LIMITED

Notes on the Accounts
At 31 March 2004

(continued)

10 Related party transactions

1) Transactions with Doncaster Lakeside Partnership

Interest of £17,041 was charged to Doncaster Lakeside Partnership, a business in which the directors have an interest.

The loan was repaid in full in March 2004. (Balance at 31 March 2003 - £250,000)

2) Transactions with Carolina Court Partnership

Interest of £29,798 was charged to The Carolina Court Partnership, a business in which the directors have an interest.

The loan was repaid in full in March 2004. (Balance at 31 March 2003 - £400,000)
