

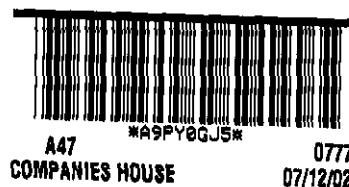
**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**FINANCIAL STATEMENTS**

**FOR**

**31 MARCH 2002**

**Company Registration Number 3025675**



**ARNOLD HILL & CO**

Chartered Accountants & Registered Auditors  
Craven House  
16 Northumberland Avenue  
London  
WC2N 5AP

# RUTLAND (CRANLEIGH) LIMITED (FORMERLY RUTLAND HALL LIMITED)

## THE DIRECTORS' REPORT

### PERIOD FROM 1 JANUARY 2001 TO 31 MARCH 2002

The directors present their report and the financial statements of the company for the period from 1 January 2001 to 31 March 2002.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was property investment.

#### CHANGE OF NAME

On 22nd March 2001 the company changed its name from Rutland Hall Limited to Rutland (Cranleigh) Limited.

#### THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2002	At 1 January 2001
J A McAllister	—	2
E M McAllister	—	—
P J Farnfield (appointed 17 May 2001)	—	—
	<u>          </u>	<u>          </u>

Rutland (Cranleigh) Limited is a wholly owned subsidiary of Rutland Investments Limited. The directors interests in the holding company are disclosed in that company's accounts.

#### 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 at the end of the period and of the profit or loss for the period then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

#### AUDITORS

A resolution to re-appoint Arnold Hill & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**THE DIRECTORS' REPORT** *(continued)*

**PERIOD FROM 1 JANUARY 2001 TO 31 MARCH 2002**

**SMALL COMPANY PROVISIONS**

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

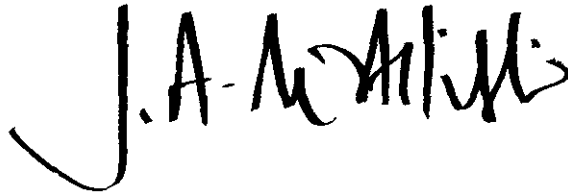
Registered office:

Signed on behalf of the directors

J A McAllister

Director

Approved by the directors on .....25/11/02.....

A large, stylized handwritten signature in black ink, appearing to read 'J.A. McAllister', is written over the printed name and title of the director.

**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS**

**PERIOD FROM 1 JANUARY 2001 TO 31 MARCH 2002**

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

The directors' 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 Directors' Responsibilities on page 1.

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. 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 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.

**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS (CONTINUED)**

**PERIOD FROM 1 JANUARY 2001 TO 31 MARCH 2002**

**QUALIFIED OPINION**

As explained in note 1 the company's investment property has not been revalued in accordance with Statement of Standard Accounting Practice 19, but has been included at cost. We are unable to quantify the financial effect of this departure, which understates the value of the investment property and revaluation reserve in the balance sheet.

Except for the non-revaluation of the investment property in our opinion the financial statements give a true and fair view of the state of the affairs of the company at 31st March 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



ARNOLD HILL & CO  
Chartered Accountants  
& Registered Auditors

Craven House  
16 Northumberland Avenue  
London  
WC2N 5AP

22/11/02

**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**PROFIT AND LOSS ACCOUNT**

**PERIOD FROM 1 JANUARY 2001 TO 31 MARCH 2002**

	Note	Period to 31 Mar 02 £	Year to 31 Dec 00 £
<b>TURNOVER</b>		489,580	—
Administrative expenses		<u>298,555</u>	—
<b>OPERATING PROFIT</b>	2	191,025	—
Interest receivable		11,639	—
Interest payable		<u>(285,937)</u>	—
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(83,273)	—
Tax on loss on ordinary activities		—	—
<b>LOSS FOR THE FINANCIAL PERIOD</b>		<u>(83,273)</u>	—

The company has no recognised gains or losses other than the results for the period as set out above.

All of the activities of the company are classed as continuing.

**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

**PERIOD FROM 1 JANUARY 2001 TO 31 MARCH 2002**

	Period to 31 Mar 02 £	Year to 31 Dec 00 £
Loss for the financial period	(83,273)	—
New equity share capital subscribed	<u>98</u>	—
Net reduction to funds	(83,175)	—
Opening shareholders' equity funds	<u>2</u>	<u>2</u>
Closing shareholders' equity (deficit)/funds	<u>(83,173)</u>	<u>2</u>

**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**BALANCE SHEET**

**31 MARCH 2002**

	Note	31 Mar 02 £	£	31 Dec 00 £	£
<b>FIXED ASSETS</b>					
Tangible assets	3		7,071,735		—
<b>CURRENT ASSETS</b>					
Debtors	4	191,776		2	
Cash at bank		<u>120,667</u>		<u>—</u>	
		312,443		2	
<b>CREDITORS: Amounts falling due within one year</b>	5	<u>624,351</u>		<u>—</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(311,908)</u>		<u>2</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,759,827		2
<b>CREDITORS: Amounts falling due after more than one year</b>	6		<u>6,843,000</u>		<u>—</u>
			<u>(83,173)</u>		<u>2</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	8		100		2
Profit and Loss Account			<u>(83,273)</u>		<u>—</u>
<b>(DEFICIENCY)/SHAREHOLDERS' FUNDS</b>			<u>(83,173)</u>		<u>2</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 25/11/02 and are signed on their behalf by:



J A McALLISTER

**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JANUARY 2001 TO 31 MARCH 2002**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

**Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

**Investment properties**

Leasehold land and buildings have been included at cost, and are not depreciated in accordance with SSAP 19.

**2. OPERATING PROFIT**

Operating profit is stated after charging:

	Period to 31 Mar 02 £	Year to 31 Dec 00 £
Directors' emoluments	—	—
Auditors' fees	<u>4,000</u>	<u>—</u>

**3. TANGIBLE FIXED ASSETS**

	£
<b>COST</b>	
Additions	<u>7,071,735</u>
<b>At 31 March 2002</b>	<u>7,071,735</u>
<b>NET BOOK VALUE</b>	
<b>At 31 March 2002</b>	<u>7,071,735</u>
At 31 December 2000	<u>—</u>

**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JANUARY 2001 TO 31 MARCH 2002**

**4. DEBTORS**

	31 Mar 02	31 Dec 00
	£	£
Trade debtors	70,309	—
Other debtors	<u>121,467</u>	<u>2</u>
	<u>191,776</u>	<u>2</u>

**5. CREDITORS: Amounts falling due within one year**

	31 Mar 02	31 Dec 00
	£	£
Trade creditors	152,258	—
Amounts owed to group undertakings	227,400	—
Other creditors	<u>244,693</u>	<u>—</u>
	<u>624,351</u>	<u>—</u>

**6. CREDITORS: Amounts falling due after more than one year**

	31 Mar 02	31 Dec 00
	£	£
Bank loans and overdrafts	4,790,000	—
Amounts owed to group undertakings	<u>2,053,000</u>	<u>—</u>
	<u>6,843,000</u>	<u>—</u>

The bank loan is secured by a fixed charge over the leasehold property and a floating charge over the current assets. The bank also has legal assignment to all rental income.

**7. RELATED PARTY TRANSACTIONS**

The company was under the control of the directors of its holding company, J A McAllister and E M McAllister, together with other family members, throughout the year.

At the year end the company was owed £ 1,555 (2000: £ Nil) by Rutland Management Limited, a company under common control. During the year costs of £ 26,431 (2000: £ Nil) arose in respect of services provided by Rutland Management Limited

During the year, services of £4,900 (2000: £ Nil) were provided to Rutland (Cranleigh) Limited by Winterfold Tree Services Limited, a company under common control.

During the year Rutland Investments Limited, the holding company, loaned the company £2,280,400 (2000: £ Nil) which remained outstanding at the balance sheet date.

**RUTLAND (CRANLEIGH) LIMITED  
(FORMERLY RUTLAND HALL LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS**

**PERIOD FROM 1 JANUARY 2001 TO 31 MARCH 2002**

**8. SHARE CAPITAL**

**Authorised share capital:**

	31 Mar 02	31 Dec 00
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**Allotted, called up and fully paid:**

	31 Mar 02	31 Dec 00
	£	£
Ordinary share capital	2	2
Issue of ordinary shares	<u>98</u>	<u>—</u>
	<u>100</u>	<u>2</u>