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**Registrar
of
Companies**

Peer Holdings Limited

Report and Financial Statements

Year Ended

31 July 2002



Peer Holdings Limited

Annual report and financial statements for the year ended 31 July 2002

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Directors

M B Birrane
R W Couchman
P J Smith
H Dawson

Secretary and registered office

P J Smith, The Peer Suite, The Hop Exchange, 24 Southwark St, London SE1 1TY

Company number

3300281

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA

Peer Holdings Limited

Report of the directors for the year ended 31 July 2002

The directors present their report together with the audited financial statements for the year ended 31 July 2002.

Results and dividends

The profit and loss account is set out on page 5 and shows the loss for the year.

Principal activities, review of business and future developments

The company's principal activity was that of property investment and dealing.

The company did not trade during the period under review.

Directors

The directors of the company during the year were:

M B Birrane
R W Couchman
P J Smith
H Dawson

No director had any beneficial interest in the share capital of the company.

The directors' interests in the shares of the ultimate parent undertaking are shown in the financial statements of that company.

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; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Peer Holdings Limited

Report of the directors for the year ended 31 July 2002 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

P. J. Smith

Secretary

Date: 14/2/03

Peer Holdings Limited

Report of the independent auditors

To the shareholders of Peer Holdings Limited

We have audited the financial statements of Peer Holdings Limited for the year ended 31 July 2002 on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and 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.

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 report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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.

Peer Holdings Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BDO Stoy Hayward

BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors
London*

Date: *21 February 2003*

Peer Holdings Limited

Profit and loss account for the year ended 31 July 2002

	Note	2002 £	2001 £
Turnover		-	-
Administrative expenses		32	52
Loss on ordinary activities before and after taxation for the financial year		<u>(32)</u>	<u>(52)</u>
Retained profit brought forward		89,735	89,787
Retained profit carried forward		<u>89,703</u>	<u>89,735</u>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the loss for the year.

The notes on pages 7 to 9 form part of these financial statements.

Peer Holdings Limited

Balance sheet at 31 July 2002

	Note	2002 £	2002 £	2001 £	2001 £
Current assets					
Debtors	4	96,568		96,568	
Cash at bank and in hand		437		469	
		<u>97,005</u>		<u>97,037</u>	
Creditors: amounts falling due within one year	5	7,300		7,300	
		<u>89,705</u>		<u>89,737</u>	
Total assets less current liabilities			89,705		89,737
Capital and reserves					
Called up share capital	6		2		2
Profit and loss account			89,703		89,735
			<u>89,705</u>		<u>89,737</u>
Equity shareholders' funds			89,705		89,737

The financial statements were approved by the Board on


H Dawson
Director

The notes on pages 7 to 9 form part of these financial statements.

1 Accounting policies

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

The following principal accounting policies have been applied:

Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Peer Group plc and the company is included in consolidated financial statements.

2 Employees

There were no employees during the year apart from the directors (2001 - NIL).

3 Taxation on loss on ordinary activities

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2002 £	2001 £
Loss on ordinary activities before tax	(32)	(52)
	<u> </u>	<u> </u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 20% (2001 - 20%)	(6)	(10)
Effect of:		
Group relief	6	10
	<u> </u>	<u> </u>
Current tax charge for period	-	-
	<u> </u>	<u> </u>

No provision is made for corporation tax for the year, due to the losses incurred by the company. The losses will be relieved within the group.

Peer Holdings Limited

Notes forming part of the financial statements for the year ended 31 July 2002 (*Continued*)

4 Debtors

	2002 £	2001 £
Amounts owed by group undertakings	84,568	84,568
Other debtors	12,000	12,000
	<u>96,568</u>	<u>96,568</u>

All amounts shown under debtors fall due for payment within one year.

5 Creditors: amounts falling due within one year

	2002 £	2001 £
Taxation and social security	6,300	6,300
Accruals and deferred income	1,000	1,000
	<u>7,300</u>	<u>7,300</u>

6 Share capital

	2002 £	Authorised 2001 £	Allotted, called up and fully paid 2002 £	2001 £
<i>Equity share capital</i>				
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>2</u>	<u>2</u>

7 Related party disclosures

Related party transactions and balances

The company is under the control of Peer Group plc, registered in England, which the directors regard as the company's ultimate parent undertaking.

Peer Group plc prepares consolidated financial statements for the group and transactions between group companies are not generally disclosed in the financial statements of the subsidiary companies in accordance with the exemption given under Financial Reporting Standard No.8 'Related Party Disclosures'.

The company owns 100% of the issued share capital of Sinonia Ltd, a company registered in England, which has not traded since incorporation and has net assets of £2.