

Equity Partnerships Fund Management Limited

Report and Financial Statements

Year Ended 30 June 2003



Equity Partnerships Fund Management Limited

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Equity Partnerships Fund Management Limited

DIRECTORS' AND OFFICERS

DIRECTORS

P Oliver
R Corlett
S McBride
A Murray

SECRETARIES

Teesland Secretarial Services Limited
S McBride

REGISTERED OFFICE

Europa House
20 Esplanade
Scarborough
YO11 2AQ

AUDITORS

Ernst & Young LLP
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

BANKERS

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Equity Partnerships Fund Management Limited

DIRECTORS' REPORT

The directors present their report and the financial statements, for the year ended 30 June 2003.

PRINCIPAL ACTIVITY

The principal activity of the company is as operator of various collective investment schemes.

RESULTS & DIVIDENDS

During the year the company made a profit of £30,378 (2002: profit of £39,177). The directors recommend that no dividend be paid.

DIRECTORS

The directors who held office during the year were:

P Oliver
R Corlett (Resigned 25 June 2003)
A Murray
S McBride

None of the other directors had any interest in the share capital of the company. P Oliver, S McBride and A Murray are also directors of Equity Partnerships (Holdings) Ltd the immediate parent undertaking. At the year end the interests of the directors in the shares of the ultimate parent undertaking, Teesland plc are as follows:

A Murray	212,000 10 pence Ordinary Shares
S McBride	1,718,147 10 pence Ordinary Shares
P Oliver	1,703,465 10 pence Ordinary Shares
R Corlett	200 10 pence Ordinary Shares

DIRECTORS' RESPONSIBILITIES

The directors are required by UK company law to prepare financial statements for each financial year that 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 year.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 June 2003. The directors also confirm that applicable accounting standards have been followed and that the statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The directors recommend that Ernst & Young LLP, be re-appointed as auditors of the company.



23/10/03

Director
BY ORDER OF THE BOARD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUITY PARTNERSHIPS FUND MANAGEMENT

We have audited the company's financial statements for the year ended 30 June 2003 which comprise Profit & Loss Account, Balance Sheet, Statement of Total Recognised Gains & Losses and related notes 1 to 11. These financial statements have been prepared on the basis of 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 to them 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 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.

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 judgments 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 affairs of the company as at 30 June 2003 and of its profit for the year and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Ernst & Young LLP

Registered Auditor

Leeds

Date

28 October 2003

EQUITY PARTNERSHIPS FUND MANAGEMENT LIMITED

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2003

	Notes	Year Ended 30 June 2003 £	Period Ended 30 June 2002 £
TURNOVER	2	214,187	53,231
GROSS PROFIT		214,187	53,231
Administrative expenses		(171,333)	(15,105)
Operating Profit	4	42,854	38,126
Bank interest receivable		1,400	1,055
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		44,254	39,181
Taxation	5	(13,876)	(4)
RETAINED PROFIT FOR THE YEAR/PERIOD	9	30,378	39,177

Movements in reserves is set out on Page 8

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

The company had no gains or losses other than the profit for the year of £30,378 (2002: profit of £39,177)

EQUITY PARTNERSHIPS FUND MANAGEMENT LIMITED

BALANCE SHEET **AS AT 30 JUNE 2003**

	Notes	30 June 2003 £	30 June 2002 £
CURRENT ASSETS			
Debtors	6	107,117	53,645
Cash at bank		45,415	40,237
		<hr/> 152,532	<hr/> 93,882
CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR			
	7	(41,285)	(13,013)
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 111,247	<hr/> 80,869
NET ASSETS		<hr/> 111,247	<hr/> 80,869
CAPITAL AND RESERVES			
Share Capital	8	40,000	40,000
Profit and loss account	9	71,247	40,869
EQUITY SHAREHOLDERS' FUNDS		<hr/> 111,247	<hr/> 80,869

Approved by the Board and signed on its behalf by



23/6/03

Director

The notes on pages 7 - 8 form part of these financial statements

EQUITY PARTNERSHIPS FUND MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 JUNE 2003

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

Accounting Convention

The financial statements are prepared under the historical cost convention.

Deferred Tax

The company has adopted Financial Reporting Standard No. 19 'Deferred taxation' (FRS 19). Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. TURNOVER

Turnover, which excludes value added tax, represents the invoiced value of management services for the period. All turnover arises from one class of business and within the United Kingdom.

3. DIRECTORS AND STAFF

The Company had no employees during the period other than the directors, who received no remuneration.

4. OPERATING PROFIT

	Year Ended 30 June 2003	Period Ended 30 June 2002
Is stated after charging:	£	£
Auditors' remuneration – audit services	5,500	500
Auditors' remuneration – non audit services	2,500	4,400
	<u>8,000</u>	<u>4,900</u>

5. TAXATION

	Year Ended 30 June 2003	Period Ended 30 June 2002
(a) Tax on profit on ordinary activities	£	£
The tax charge is made up as follows:		
Current tax - UK Corporation tax	13,876	4
Total current tax	<u>13,876</u>	<u>4</u>

(b) Factors affecting current tax charge

The tax assessment on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30%. The differences are reconciled below:

	Year Ended 30 June 2003	Period Ended 30 June 2002
	£	£
Profit on ordinary activities before taxation	<u>44,254</u>	<u>39,181</u>
Tax on profit on ordinary activities at 30%	13,276	11,754
Expenses not allowable for tax purposes	600	-
Group relief claimed	-	(11,754)
Adjustment in respect of prior years	-	4
Total current tax per profit and loss account	<u>13,876</u>	<u>4</u>

EQUITY PARTNERSHIPS FUND MANAGEMENT LIMITED

NOTES TO THE ACCOUNTS (continued) **FOR THE YEAR ENDED 30 JUNE 2003**

	2003	2002
	£	£
6. DEBTORS		
Trade debtors	11,750	53,645
Other debtors	3,350	-
Amounts due from group undertakings	92,017	-
	<u>107,117</u>	<u>53,645</u>

	2003	2002
	£	£
7. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade Creditors	1,763	6,231
Corporation tax	13,126	-
Other taxation	8,032	6,782
Accruals	18,364	-
	<u>41,285</u>	<u>13,013</u>

8. CALLED UP SHARE CAPITAL

	2003	2002
	£	£
Authorised:		
100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
40,000 ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

9. RECONCILIATION OF MOVEMENT IN RESERVES, EQUITY AND SHAREHOLDERS' FUNDS

	Share Capital	Profit & Loss Account	Total
	£	£	£
As at 1 July 2002	40,000	40,869	80,869
Profit for the period	-	30,378	30,378
As at 30 June 2003	<u>40,000</u>	<u>71,247</u>	<u>111,247</u>

10. ULTIMATE & PARENT UNDERTAKING

The immediate parent undertaking is Equity Partnerships (Holdings) Limited, and the ultimate parent undertaking is Teesland plc.

11. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 from disclosing transactions with group companies.

The company has undertaken transactions with various companies and joint ventures within the group of Scarborough Property Company plc and Scarborough Development Group plc. These groups are related to Teesland plc, the ultimate parent of Teesland Management Services Limited, by virtue of joint control, by Kevin McCabe (Chairman of Teesland plc) and the Bank of Scotland (a significant shareholder of Teesland plc).

The company made sales of £75,576 to the above related parties (2002: nil). No amounts were outstanding at the year end (2002: nil).