

H SMITH & DAUGHTERS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004



H SMITH & DAUGHTERS LIMITED

COMPANY INFORMATION

Director	P C Rose
Secretary	S C Stedman
Company number	3605830
Registered office	Johnston House 8 Johnston Road Woodford Green Essex IG8 0XA
Auditors	Haslers Chartered Accountants Johnston House 8 Johnston Road Woodford Green Essex IG8 0XA
Business address	Copper House 88 Snakes Lane East Woodford Green Essex IG8 7HX

H SMITH & DAUGHTERS LIMITED

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H SMITH & DAUGHTERS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 AUGUST 2004

The director presents his report and financial statements for the year ended 31 August 2004.

Principal activities

The principal activity of the company continued to be that of property investment.

Director

The following director has held office since 1 September 2003:

P C Rose

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary Shares of £ 1 each	
	31 August 2004	1 September 2003
P C Rose	-	-

P C Rose

The director's interest in the holding company, H Smith Holdings Limited, may be found in the accounts of that company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Haslers be reappointed as auditors of the company will be put to the Annual General Meeting.

Director's responsibilities

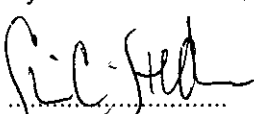
Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

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



S C Stedman

Secretary

7-6-05...

H SMITH & DAUGHTERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF H SMITH & DAUGHTERS LIMITED

We have audited the financial statements of H Smith & Daughters Limited on pages 3 to 8 for the year ended 31 August 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention (as modified by the revaluation of certain fixed assets) and 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 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 the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom 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 director's 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 director's remuneration and transactions with the company is not disclosed.

We read the director's 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 judgements made by the director 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 the company's affairs as at 31 August 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Haslers

Chartered Accountants
Registered Auditor

7-6-05
Johnston House
8 Johnston Road
Woodford Green
Essex
IG8 0XA

H SMITH & DAUGHTERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2004

	Notes	2004 £	2003 £
Turnover		86,587	83,380
Cost of sales		(1,643)	(770)
Gross profit		84,944	82,610
Administrative expenses		(6,510)	(8,146)
Operating profit	2	78,434	74,464
Interest payable and similar charges		(40,493)	(41,536)
Profit on ordinary activities before taxation		37,941	32,928
Tax on profit on ordinary activities	3	(7,325)	(10,016)
Profit on ordinary activities after taxation		30,616	22,912
Dividends		(30,616)	(6,249)
Retained (loss)/profit for the year	10	-	16,663

H SMITH & DAUGHTERS LIMITED

BALANCE SHEET AS AT 31 AUGUST 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	4 and 5		947,500		948,264
Current assets					
Debtors	6	12,508		9,851	
Cash at bank and in hand		9,646		12,255	
		<u>22,154</u>		<u>22,106</u>	
Creditors: amounts falling due within one year	7	<u>(129,643)</u>		<u>(102,193)</u>	
Net current liabilities			<u>(107,489)</u>		<u>(80,087)</u>
Total assets less current liabilities			840,011		868,177
Creditors: amounts falling due after more than one year	8		<u>(488,623)</u>		<u>(516,789)</u>
			<u>351,388</u>		<u>351,388</u>
Capital and reserves					
Called up share capital	9		2		2
Revaluation reserve	10		351,376		351,376
Profit and loss account	10		10		10
Shareholders' funds			<u>351,388</u>		<u>351,388</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 27.6.05.


P C Rose
Director

H SMITH & DAUGHTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents amounts receivable for services net of VAT.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment 33.3% Straight Line basis

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the director compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

2	Operating profit	2004 £	2003 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	764	1,833
	Auditors' remuneration	2,200	2,150
		<u> </u>	<u> </u>
3	Taxation	2004 £	2003 £
	Domestic current year tax		
	Adjustment for prior years	67	-
	Payment in respect of group relief	7,258	10,016
		<u> </u>	<u> </u>
	Current tax charge	7,325	10,016
		<u> </u>	<u> </u>

H SMITH & DAUGHTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost or valuation	
At 1 September 2003 & at 31 August 2004	5,500
Depreciation	
At 1 September 2003	4,736
Charge for the year	764
At 31 August 2004	5,500
Net book value	
At 31 August 2004	-
At 31 August 2003	764

5 Tangible fixed assets

	Investment properties
	£
Cost or valuation	
At 1 September 2003 & at 31 August 2004	947,500

6 Debtors

	2004	2003
	£	£
Trade debtors	12,021	9,379
Other debtors	487	472
	12,508	9,851

H SMITH & DAUGHTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

7	Creditors: amounts falling due within one year	2004	2003
		£	£
	Bank loans and overdrafts	28,587	26,515
	Trade creditors	607	1,729
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	68,650	42,159
	Other creditors	31,799	31,790
		<u>129,643</u>	<u>102,193</u>
8	Creditors: amounts falling due after more than one year	2004	2003
		£	£
	Bank loans	<u>488,623</u>	<u>516,789</u>
	Analysis of loans		
	Not wholly repayable within five years by instalments	350,111	388,319
	Wholly repayable within five years	<u>167,099</u>	<u>154,985</u>
		517,210	543,304
	Included in current liabilities	<u>(28,587)</u>	<u>(26,515)</u>
		<u>488,623</u>	<u>516,789</u>
	Instalments not due within five years	<u>350,111</u>	<u>388,319</u>
	The aggregate amount of secured liabilities is £517,210 (2003 : £543,304).		
9	Share capital	2004	2003
		£	£
	Authorised		
	5,000,000 Ordinary Shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
	Allotted, called up and fully paid		
	2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

H SMITH & DAUGHTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2004

10 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 September 2003	351,376	10
Balance at 31 August 2004	351,376	10

11 Control

The ultimate parent company is H Smith Holdings Limited a company incorporated in England & Wales.

The ultimate controlling party is H T Smith by virtue of his beneficial interest in the trust which owns the ultimate holding company.

12 Related party transactions

During the year the following related parties existed:

Aitch Group Holdings Limited - H T Smith, P C Rose and S C Stedman are directors and H T Smith is a beneficial shareholder.

H Smith Holdings Limited - H T Smith, P C Rose and S C Stedman are directors.

During the year, Aitch Group Holdings Limited paid insurance on behalf of H Smith & Daughters Limited totalling £5,729. At the year end, this amount is still outstanding.

At the year end there is an amount outstanding of £62,921 (2003 : £42,159) to H Smith Holdings Limited.