

Gladstone Securities Limited

Financial statements

For the period from 1 November 2003 to
30 June 2004

Grant Thornton 



Company No. 04562615

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Report of the directors

The directors present their report and the unaudited financial statements of the company for the period from 1 November 2003 to 30 June 2004.

Principal activities and business review

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

Results and dividends

The trading results for the period and the company's financial position at the end of the period are shown in the attached financial statements.

The directors have not recommended a dividend.

The directors and their interests in the shares of the company

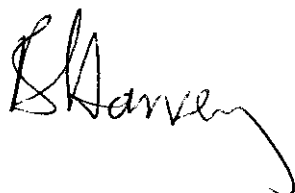
The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 June 2004	At 1 November 2003
C J Chetwood	25	25
A P Mason	25	25
C I Mason	25	25
P Pearce	<u>25</u>	<u>25</u>

BY ORDER OF THE BOARD

B D Harvey
Secretary

22 April 2005



Chartered accountants' report to the board of directors on the unaudited financial statements of Gladstone Securities Limited

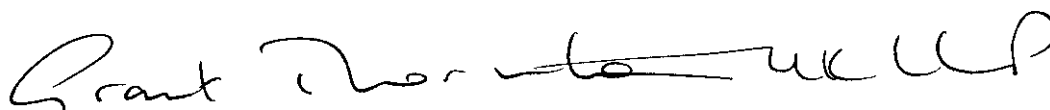
In accordance with the engagement letter dated 25 June 2004., and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year 31 December 2004 which comprise the principal accounting policies, profit and loss account, balance sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's board of directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's board of directors that we have done so, and state those matters that we have agreed to state to them in this 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 board of directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 December 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



GRANT THORNTON UK LLP
CHARTERED ACCOUNTANTS
LIVERPOOL

22 April 2005

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

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

Fixed assets

All fixed assets are initially recorded at cost.

Profit and loss account

	Note	Period from 1 Nov 03 to 30 Jun 04 £	Period from 15 Oct 02 to 31 Oct 03 £
Turnover	1	–	1,517,676
Cost of sales		–	1,287,903
Gross profit		–	229,773
Other operating charges	2	4,990	23,039
Operating (loss)/profit	3	(4,990)	206,734
Income from participation in related undertaking	5	(10,433)	–
Interest receivable and similar income		426	849
Interest payable and similar charges	6	–	(28,275)
(Loss)/profit on ordinary activities before taxation		(14,997)	179,308
Tax on (loss)/profit on ordinary activities		–	26,011
(Loss)/retained profit for the financial period		(14,997)	153,297
Balance brought forward		153,297	–
Balance carried forward		<u>138,300</u>	<u>153,297</u>

Balance sheet


	Note	30 Jun 04 £	31 Oct 03 £
Current assets			
Debtors	7	158,498	110,484
Cash at bank		10,598	101,385
		<u>169,096</u>	<u>211,869</u>
Creditors: amounts falling due within one year	8	30,696	58,472
Net current assets		<u>138,400</u>	<u>153,397</u>
Total assets less current liabilities		<u>138,400</u>	<u>153,397</u>
Capital and reserves			
Called-up equity share capital	10	100	100
Profit and loss account		138,300	153,297
Shareholders' funds		<u>138,400</u>	<u>153,397</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the period by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its profit or loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements were approved by the directors on 22 April 2005 and are signed on their behalf by:


A P Mason

Notes to the financial statements

1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	Period from 1 Nov 03 to 30 Jun 04 £	Period from 15 Oct 02 to 31 Oct 03 £
United Kingdom	—	<u>1,517,676</u>

2 Other operating income and charges

	Period from 1 Nov 03 to 30 Jun 04 £	Period from 15 Oct 02 to 31 Oct 03 £
Administrative expenses	<u>4,990</u>	<u>23,039</u>

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	Period from 1 Nov 03 to 30 Jun 04 £	Period from 15 Oct 02 to 31 Oct 03 £
Auditors' remuneration:		
Audit fees	—	<u>3,500</u>

4 Directors and employees

No salaries or wages have been paid to employees, including the directors, during the period.

5 Income from participation in related undertaking

	Period from 1 Nov 03 to 30 Jun 04 £	Period from 15 Oct 02 to 31 Oct 03 £
Share of loss in the Mary Street Consortium	<u>(10,433)</u>	—

6 Interest payable and similar charges

	Period from 1 Nov 03 to 30 Jun 04 £	Period from 15 Oct 02 to 31 Oct 03 £
Interest payable on bank borrowing	—	<u>28,275</u>

7 Debtors

	30 Jun 04 £	31 Oct 03 £
Amounts owed by related undertaking	142,005	46,271
Other debtors	16,393	64,113
Called up share capital not paid	100	100
	<u>158,498</u>	<u>110,484</u>

8 Creditors: amounts falling due within one year

	30 Jun 04 £	31 Oct 03 £
Trade creditors	4,685	—
Corporation tax	26,011	26,011
Accruals and deferred income	—	32,461
	<u>30,696</u>	<u>58,472</u>

9 Related party transactions

Mr AP and CI Mason, CJ Chetwood and P Pearce who are the directors of the company, are also directors of Mason & Partners Limited. They are also partners in the Mary Street Consortium.

£5,514 is owed to the company from Mason & Partners Limited (2003 £30,948 due to Gladstone Securities Limited).

£146,924 is owed to the company from the Mary Street Consortium.

The Mary Street Consortium made a loss in the year, of which £10,433 is attributable to the company.

**Financial statements for the period from 1 November 2003 to
30 June 2004**

10 Share capital

Authorised share capital:

	30 Jun 04	31 Oct 03
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted and called up:

	30 Jun 04		31 Oct 03	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The amounts of paid-up share capital for the following category of shares differed from the called-up share capital stated above due to unpaid calls and were as follows:

	30 Jun 04	31 Oct 03
	£	£
Ordinary shares	<u>100</u>	<u>100</u>

11 Profit and loss account

	Period from 1 Nov 03 to 30 Jun 04	Period from 15 Oct 02 to 31 Oct 03
	£	£
Balance brought forward	153,297	—
(Accumulated loss)/retained profit for the financial period	(14,997)	153,297
Balance carried forward	<u>138,300</u>	<u>153,297</u>