

Gladstone Securities Limited
Unaudited financial statements
For the year ended 30 June 2005

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 year ended 30 June 2005.

Principal activities

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

The directors and their interests in the shares of the company

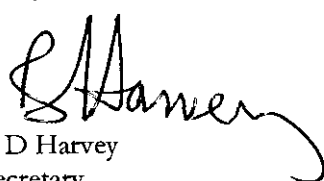
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 June 2005	At 1 July 2004
C J Cherwood	25	25
A P Mason	25	25
C I Mason	25	25
P Pearce	25	25

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.

BY ORDER OF THE BOARD


B D Harvey
Secretary
25/4/06

Grant Thornton 

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

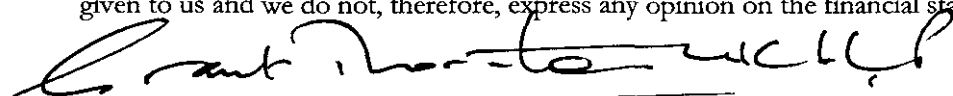
In accordance with the engagement letter dated 25 June 2004, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 30 June 2005 which comprise the principal accounting policies, balance sheet, statement of total recognised gains and losses 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 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

27 April 2006

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) 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 year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Investment properties

Investment properties are shown at their open market value. The surplus or deficit arising from the annual revaluation is transferred to the investment revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. The departure from the provisions of the Act is required in order to give a true and fair view.

Profit and loss account

	Note	Year to 30 Jun 05 £	Period from 1 Nov 03 to 30 Jun 04 £
Turnover		22,227	—
Cost of sales		2,374	—
Gross profit		19,853	—
Other operating charges	1	18,487	4,990
Operating profit/(loss)	2	1,366	(4,990)
Income from shares in group undertakings	3	221,785	(10,433)
Interest receivable		3,310	426
Interest payable and similar charges		(2,592)	—
Profit/(loss) on ordinary activities before taxation		223,869	(14,997)
Tax on profit/(loss) on ordinary activities		41,973	—
Profit/(loss) on ordinary activities after taxation		181,896	(14,997)
Equity dividends paid		40,000	—
Retained profit/(loss) for the financial year	11	141,896	(14,997)

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

Balance sheet

	Note	2005 £	2004 £
Fixed assets			
Tangible assets	4	<u>649,552</u>	—
Current assets			
Debtors	5	17,670	158,498
Cash at bank		<u>277,035</u>	<u>10,598</u>
		<u>294,705</u>	169,096
Creditors: amounts falling due within one year	6	<u>112,179</u>	<u>30,696</u>
Net current assets		<u>182,526</u>	<u>138,400</u>
Total assets less current liabilities		<u>832,078</u>	<u>138,400</u>
Creditors: amounts falling due after more than one year	7	<u>308,350</u>	—
		<u>523,728</u>	<u>138,400</u>
Capital and reserves			
Called-up equity share capital	9	100	100
Revaluation reserve	10	243,432	—
Profit and loss account	11	<u>280,196</u>	<u>138,300</u>
Shareholders' funds	12	<u>523,728</u>	<u>138,400</u>

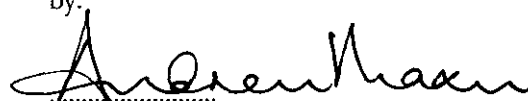
The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) 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 year and of its profit or loss for the financial year 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 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 25/4/06 and are signed on their behalf by:



A P Mason

The accompanying accounting policies and notes form part of these financial statements.

Other primary statements

Statement of total recognised gains and losses

	Year to 30 Jun 05 £	Period from 1 Nov 03 to 30 Jun 04 £
Profit/(loss) for the financial year	181,896	(14,997)
Unrealised profit on revaluation of certain fixed assets	243,432	—
Total gains and losses recognised for the year	<u>425,328</u>	<u>(14,997)</u>

Notes to the financial statements

1 Other operating charges

	Year to 30 Jun 05 £	Period from 1 Nov 03 to 30 Jun 04 £
Administrative expenses	<u>18,487</u>	<u>4,990</u>

2 Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	Year to 30 Jun 05 £	Period from 1 Nov 03 to 30 Jun 04 £
Directors' emoluments	<u>—</u>	<u>—</u>

3 Income from shares in group undertakings

	Year to 30 Jun 05 £	Period from 1 Nov 03 to 30 Jun 04 £
Share of profit/(loss) in the Mary Street Consortium	<u>221,785</u>	<u>(10,433)</u>

4 Tangible fixed assets

	Freehold Investment Property £
Cost or valuation	
Additions	406,120
Revaluation	243,432
At 30 June 2005	<u>649,552</u>
Depreciation	
At 1 July 2004 and 30 June 2005	<u>—</u>
Net book value	
At 30 June 2005	<u>649,552</u>
At 30 June 2004	<u>—</u>

The investment properties have been revalued at 30 June 2005 by Andrew Mason, a director and qualified chartered surveyor on the basis of existing use, open market value.

If certain fixed assets had not been revalued, they would have been included on the historical cost basis at the following amounts:

	Freehold Investment Property £
Cost	406,120
Net book amount at 30 June 2005	<u>406,120</u>
Net book amount at 1 July 2004	<u><u>—</u></u>

5 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	—	142,005
Called up share capital not paid	100	100
Other debtors	17,570	16,393
	<u>17,670</u>	<u>158,498</u>

6 Creditors: amounts falling due within one year

	2005 £	2004 £
Bank loan	13,854	—
Trade creditors	45,392	4,685
Amounts owed to group undertakings	10,933	—
Corporation tax	42,000	26,011
	<u>112,179</u>	<u>30,696</u>

7 Creditors: amounts falling due after more than one year

	2005 £	2004 £
Bank loans	<u>308,350</u>	<u><u>—</u></u>

The bank loan is secured by a fixed and floating charge on the company's assets and a legal charge over the company's investment property. The loan is repayable in unequal instalments and bears interest at 1.4% above the bank's base rate.

8 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 the partners in Mary Street Consortium.

At 30 June 2004, £5,514 was owed to the company from Mason & Partners Limited, the balance at 30 June 2005 is £Nil.

An amount of £10,933 is due to the Mary Street Consortium (2004 £142,005 due from the Mary Street Consortium).

Mary Street Consortium made a profit (2004 £10,433 loss) in the year, of which £221,785 is attributable to the company.

9 Share capital

Authorised share capital:

	2005 £	2004 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted and called up:

	2005 No	£	2004 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 categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2005 £	2004 £
Ordinary shares	<u>100</u>	<u>100</u>

10 Revaluation reserve

	Year to 30 Jun 05 £	Period from 1 Nov 03 to 30 Jun 04 £
Revaluation of fixed assets	<u>243,432</u>	—
Balance carried forward	<u>243,432</u>	—

11 Profit and loss account

	Year to 30 Jun 05 £	Period from 1 Nov 03 to 30 Jun 04 £
Balance brought forward	138,300	153,297
Retained profit/(accumulated loss) for the financial year	141,896	(14,997)
Balance carried forward	<u>280,196</u>	<u>138,300</u>

12 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit/(Loss) for the financial year	181,896	(14,997)
Dividends	(40,000)	—
	<u>141,896</u>	<u>(14,997)</u>
Other net recognised gains and losses	243,432	—
Net addition/(reduction) to shareholders' equity funds	<u>385,328</u>	<u>(14,997)</u>
Opening shareholders' equity funds	138,400	153,397
Closing shareholders' equity funds	<u>523,728</u>	<u>138,400</u>