

**PRIME ESTATES (STEVENAGE) LIMITED**

**REPORT OF THE DIRECTORS**  
**AND FINANCIAL STATEMENTS**

**For the period ended**  
**31st December 2003**



# **PRIME ESTATES (STEVENAGE) LIMITED**

Annual report and financial statements for the period ended 31st December 2002

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## **CONTENTS**

Page:

1. Report of the directors
  3. Report of the independent auditors
  4. Profit and loss account
  5. Balance sheet
  6. Notes forming part of the accounts
- 

## **Directors**

H J H Bandet  
R B Polkow  
I A M F Boyer  
I Kirkpatrick  
T E Milliken

## **Secretary and registered office**

N J Alexander, 64 Wilbury Way, Hitchin, Hertfordshire, SG4 0TP

## **Company Number**

4735121

## **Auditors**

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

Report of the directors for the period ended 31st December 2003

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The directors submit their first report together with the audited financial statements of the company for the period from incorporation on 15th April 2003 to 31st December 2003.

**Principal activity**

The principal activity of the company is that of investment.

**Results, dividends, trading review and future developments**

The company commenced trading on 28th October 2003.

The profit and loss account is set out on page 4 and shows the company's result for the period.

There have been no events since the balance sheet date which materially affect the position of the company.

**Directors**

The directors of the company during the period were:

H. J. H. Bandet (appointed 23rd October 2003)

R. B. Polkow (appointed 23rd October 2003)

I. A. M. F. Boyer (appointed 23rd October 2003)

I. Kirkpatrick (appointed 23rd October 2003)

T. E. Milliken (appointed 15th April 2003)

J. P. Walters (appointed 15th April 2003, resigned 20th January 2004)

**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 period. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

**Auditors**

On 31 December 2003, BDO Stoy Hayward, the company's auditors, transferred its business to BDO Stoy Hayward LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. Accordingly BDO Stoy Hayward resigned as auditors on that date and the directors appointed BDO Stoy Hayward LLP as its successor.

Report of the directors for the period ended 31st December 2003

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**Elective Resolutions and Auditors**

The Company has, by elective resolution, resolved to dispense with the need to hold Annual General Meetings and to re-appoint auditors annually. Accordingly BDO Stoy Hayward LLP, who have indicated their willingness so to do, will continue in office as auditors to the company.

By order of the board.

A handwritten signature in black ink, appearing to be 'N J Alexander', with a long horizontal stroke extending to the right.

N J Alexander  
Secretary  
15th July 2004

Report of the independent auditors

To the members of Prime Estates (Stevenage) Limited

We have audited the financial statements of Prime Estates (Stevenage) Limited for the period ended 31 December 2003 set out on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

**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.

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003 and of the result for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

**BDO Stoy Hayward LLP**  
Chartered Accountants  
and Registered Auditors  
London

15th July 2004

**PRIME ESTATES (STEVENAGE) LIMITED**

Page 4

**PROFIT AND LOSS ACCOUNT for the period ended 31st December 2003**

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	<b>Note</b>	<b>Period to 31.12.03 £</b>
Administrative expenses		(2,250)
<b>Loss for the period before and after taxation</b>	<b>4</b>	<hr/> (2,250) <hr/>

All amounts relate to continuing activities.

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

The notes on pages 6 to 8 form part of these accounts

Balance sheet at 31 December 2003

	NOTE	31.12.03 £
<b>Current Assets</b>		
Debtors	6	10,000
<b>Creditors</b>		
Amounts falling due within one year	7	(12,249)
<b>Net current liabilities</b>		(2,249)
		<hr/>
		(2,249)
		<hr/>
<b>Capital and reserves</b>		
Called up share capital	8	1
Profit and loss account		(2,250)
<b>Shareholders' funds</b>		(2,249)
		<hr/>

The accounts were approved by the Board on 15th July 2004.



T E Milliken

Director

The notes on pages 6 to 8 form part of these accounts.

Notes forming part of the accounts for the period ended 31st December 2003

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**1. Accounting policies**

The accounts have been prepared under the historical cost convention and are in accordance with applicable Accounting Standards. There have been no changes in accounting policies during the period. The following principal accounting policies have been applied.

**Turnover**

Turnover comprises rental income from properties and amounts invoiced for other activities.

**Valuation of Properties**

Completed properties held for long term retention are valued at the balance sheet date at open market value. Surpluses and deficits arising from revaluations are treated in accordance with Statement of Standard Accounting Practice No. 19.

**Depreciation**

In accordance with Statement of Standard Accounting Practice No.19, no depreciation is provided in respect of freehold properties or leasehold properties with more than twenty years to expiry. This is a departure from the requirements of the Companies Act, 1985, which requires all properties to be depreciated. Such properties are not held for consumption but investment and the directors consider that to depreciate them would not give a true and fair view. Depreciation is only one among many factors reflected in the annual valuation of properties and accordingly, the amount of depreciation which might otherwise have been charged cannot be identified or quantified separately. The directors consider that this policy results in the accounts giving a true and fair view.

**Related party transactions**

The company has taken advantage of the exemptions available under Financial Reporting Standard 8 and not disclosed transactions undertaken with companies that are part of the group, as consolidated financial statements are publicly available.

**Taxation**

Corporation tax payable is provided on taxable profits at the current rate.

On disposal of an investment property the element of tax relating to profit in the year is charged to the profit and loss account and the element relating to earlier revaluation surpluses is included in the Statement of Total Recognised Gains and Losses.

**Deferred taxation**

In accordance with FRS19, deferred tax is now provided in respect of all timing differences that have originated, but not reversed, at the balance sheet date that may give rise to an obligation to pay more or less tax in the future. Deferred taxation is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Deferred taxation is measured on a discounted basis.

The recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.



Notes forming part of the accounts for the period ended 31st December 2003 (continued)

**2. Turnover**

In the opinion of the directors, all turnover and results are attributable to its principal activity carried out wholly within the United Kingdom.

**3. Directors' and employees' remuneration**

No directors' remuneration was payable in the period. There were no employees in the period.

**4. Operating loss**

Period to  
31.12.03  
£

Operating loss is stated after charging:

Auditors' remuneration	2,250
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**5. Taxation**

No liability for taxation arises in the period.

**6. Debtors: amounts falling due within one year**

31.12.03  
£

Deposit	10,000
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**7. Creditors: Amounts falling due within one year**

Amount due to immediate holding company	9,999
Accruals and deferred income	2,250

12,249

**8 Called up share capital**

£

Authorised:

1000 ordinary shares of £1 each	1,000
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Issued and fully paid:

1 ordinary share of £1 each	1
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**9. Contingent liabilities**

No such liabilities are known to the directors.

Notes forming part of the accounts for the period ended 31st December 2003 (continued)

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**10. Capital Commitments**

*During the year the company paid a deposit for the purchase of a fixed asset property. At the date of these accounts the property had not been acquired but contracts had been exchanged with a commitment of £90,000 balance of the purchase price payable.*

**11. Cash flow statement**

The company has used the exemption under Financial Reporting Standard 1 "Cash flow statements", not to prepare a cash flow statement as the directors believe the company is "small" under the Companies Act 1985.

**12. Holding company**

The directors regard Prime Estates Limited, a company incorporated in England, as the company's ultimate holding company.