

**CRAIGTON COMBINED SECURITIES LIMITED**  
**AND SUBSIDIARY UNDERTAKINGS**

Company No: SC 2284

**FINANCIAL STATEMENTS**

**for the year ended**

**31 MARCH 2002**



SCT S81ZC00C 0006  
COMPANIES HOUSE 25/1/03  
COMPANIES HOUSE 25/01/03

**COHEN, ARNOLD & CO**  
**CHARTERED ACCOUNTANTS**  
**REGISTERED AUDITOR**  
**LONDON W1S 2HL**

**CRAIGTON COMBINED SECURITIES LIMITED**

**DIRECTORS**

B.S.E. Freshwater  
L. Stempel

**SECRETARY**

M.R.M. Jenner F.C.I.S

**REGISTERED OFFICE**

Savoy House,  
4th Floor  
140 Sauchiehall Street,  
Glasgow G2 3DH  
SCOTLAND

**AUDITORS**

Cohen, Arnold & Co  
13-17 New Burlington Place  
Regent Street  
LONDON W1S 2HL

**CRAIGTON COMBINED SECURITIES LIMITED**  
**AND SUBSIDIARY UNDERTAKINGS**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2002**

Page

1 - 2	Directors' Report
3 - 4	Auditors' Report
5	Consolidated Profit and Loss Account
6	Consolidated Balance Sheet
7	Balance Sheet
8 - 14	Notes to the Financial Statements

**CRAIGTON COMBINED SECURITIES LIMITED**  
**AND SUBSIDIARY UNDERTAKINGS**

**DIRECTORS' REPORT**

The Directors have pleasure in presenting their Annual Report together with the audited Financial Statements of the Company and of the Group for the year ended 31 March 2002.

**BUSINESS REVIEW**

The Company is a Parent Undertaking only. The principal activity carried on through wholly owned Subsidiary Undertakings is Property Trading.

Throughout the year the Company and its Subsidiary Undertakings have pursued their traditional activities and there has been no significant change in the nature of the business, nor is any envisaged in the immediate future.

**RESULTS AND DIVIDEND**

The financial results of the Group's activities for the year ended 31 March 2002 are fully reflected in the attached Financial Statements together with the Notes thereon.

The Directors do not recommend the payment of a dividend for the year under review (2001: £nil).

**PROPERTIES**

The Directors have carefully reviewed the Group's property trading portfolio and they are satisfied that each property has a value at least equal to the figure at which it is included in the Consolidated Balance Sheet at 31 March 2002.

**DIRECTORS AND THEIR INTEREST IN SHARE CAPITAL**

The Directors who served during the year and their interest in the Share Capital of the Company are as follows:

Mr B.S.E. Freshwater

Mr L. Stempel

The Articles of Association do not require Directors to retire by rotation.

The Directors do not have service contracts nor do they receive any emoluments from the Company or any of its Subsidiary Undertakings.

The whole of the issued share capital of the Company is owned by Highdorn Co. Limited, a Company of which Mr B S E Freshwater is also a Director and in which he has a non-beneficial interest in fifty shares out of the total issued ordinary share capital of one hundred shares. Another member of the Freshwater Family is beneficially interested in the remaining fifty shares. Mr L. Stempel is also a Director of Highdorn Co. Limited but has no interest in its share capital. Day-to-day management of the Group is carried out by Highdorn Co. Limited.

At 31 March 2002, neither of the Directors had any interest in the share capital of the Company, the Company's Parent Undertaking or any Subsidiary of the Company's Parent Undertaking, save as disclosed above.

**CRAIGTON COMBINED SECURITIES LIMITED**  
**AND SUBSIDIARY UNDERTAKINGS**

**DIRECTORS' REPORT**

**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 Group and of the profit or loss of the Company and of the Group for that period. In preparing the Financial Statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently
- ii) make judgements and estimates that are reasonable and prudent
- iii) follow applicable Accounting Standards, subject to any material departures disclosed and explained in the Financial Statements
- iv) prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DONATIONS**

During the year the Group made no charitable donation nor political contribution (2001 : £Nil).


**CLOSE COMPANY**

The Company is a "close company" within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

**AUDITORS**

The Auditors, Cohen, Arnold & Co, are willing to continue in office and a resolution re-appointing them in accordance with Section 385 of the Companies Act 1985 and authorising the Board to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board



.....

**M.R.M. Jenner - Secretary**

**HEAD OFFICE**  
Freshwater House  
158-162 Shaftesbury Avenue  
LONDON WC2H 8HR

9 DEC. 2002

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS**

**- OF -**

### **CRAIGTON COMBINED SECURITIES LIMITED** **AND SUBSIDIARY UNDERTAKINGS**

We have audited the Financial Statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2, the Directors of the company are responsible for the preparation of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 the 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 judgements made by the Directors in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the group'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.

**INDEPENDENT AUDITORS' REPORT**  
**(Continued)**


**TO THE SHAREHOLDERS**

**- OF -**

**CRAIGTON COMBINED SECURITIES LIMITED**  
**AND SUBSIDIARY UNDERTAKINGS**

**OPINION**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 31 March 2002 and of the profit of the group for the year then ended, and have been properly prepared in accordance with the Companies' Act 1985.



Date: .....9. DEC..... 2002

London

COHEN ARNOLD & CO  
Chartered Accountants and  
Registered Auditor

**CRAIGTON COMBINED SECURITIES LIMITED**

**AND SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2002**

	Note	<b><u>2002</u></b> £	<b><u>2001</u></b> £
Surplus on Sale of Properties	3	-	2,244
Net Rental Income	3	445,372	373,602
Administrative and Other Expenses	4	(13,440)	(12,545)
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>		431,932	363,301
Interest Receivable		5,387	6,218
Interest Payable	5	(861)	(497)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		436,458	369,022
Taxation	6	(131,260)	(110,200)
		<hr/>	<hr/>
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		305,198	258,822
Retained Profit Brought Forward		1,480,916	1,222,094
		<hr/>	<hr/>
<b>RETAINED PROFIT CARRIED FORWARD</b>	12	£1,786,114	£1,480,916
		<hr/>	<hr/>

None of the Group's activities was acquired or discontinued during the financial year nor in the previous year.

The Group has no recognised gains or losses other than those reflected in the above Profit and Loss Account for the financial year nor for the previous year.

The notes on pages 8 to 14 form part of these Financial Statements.



**CRAIGTON COMBINED SECURITIES LIMITED**

**AND SUBSIDIARY UNDERTAKINGS**

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2002**

	Note	<u>2002</u> £	<u>2001</u> £
<b>CURRENT ASSETS</b>			
Stocks - Properties Held for Trading	1	1,314,992	1,314,992
Debtors	8	1,414,693	1,171,393
Cash at Bank		177,028	116,889
		<hr/>	<hr/>
		2,906,713	2,603,274
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	9	(308,312)	(310,071)
		<hr/>	<hr/>
<b>NET ASSETS</b>		£2,598,401	£2,293,203
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up Share Capital	11	544,415	544,415
Share Premium Account	12	267,872	267,872
Profit and Loss Account	12	1,786,114	1,480,916
		<hr/>	<hr/>
		£2,598,401	£2,293,203
		<hr/>	<hr/>

The Financial Statements were approved by the Board on 9 . DEC . 2002  
and signed on its behalf by

  
.....  
**B S E FRESHWATER - DIRECTOR**

The notes on pages 8 to 14 form part of these Financial Statements

**BALANCE SHEET AS AT 31 MARCH 2002**

The Financial Statements were approved by the Board on 9 DEC. 2002  
and signed on its behalf by

The notes on pages 8 to 14 form part of these Financial Statements

**CRAIGTON COMBINED SECURITIES LIMITED**

**AND SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2002**

**1. ACCOUNTING POLICIES**

The following Accounting Policies have been used consistently in the preparation of the Group's Financial Statements.

**1.1 BASIS OF ACCOUNTING**

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

**1.2 BASIS OF CONSOLIDATION**

The Consolidated Group Financial Statements deal with the results of Craigton Combined Securities Limited and all of its Subsidiary Undertakings for the year ended 31 March 2002. In accordance with Section 230(4) of the Companies Act 1985 the Financial Statements do not include a separate Profit and Loss Account for the Company.

**1.3 STOCKS**

Properties Held for Trading are stated at the lower of cost and estimated net realisable value.

**1.4 ACQUISITIONS AND DISPOSALS OF PROPERTIES**

Acquisitions and Disposals are considered to have taken place at the date of legal completion and are included in the Financial Statements accordingly.

**1.5 CASH FLOW STATEMENT**

The Company and its Subsidiary Undertakings are exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No 1) on the basis their being regarded as a "small group" as defined by Section 247 Companies Act 1985.

**2. FORMAT OF FINANCIAL STATEMENTS**

The Financial Statements are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the Group's activities.

**CRAIGTON COMBINED SECURITIES LIMITED**

**AND SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2002**

**3. GROUP TURNOVER**

The Turnover of the Group is represented by sale proceeds on disposal of Properties Held for Trading purposes coupled with Rents and Charges Receivable in respect of those properties.

The Surplus on Disposal of Properties and Net Rental Income are comprised as follows:

	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b>£</b>	<b>£</b>
Property Sales	-	2,244
Cost of Properties Sold	-	-
	<hr/>	<hr/>
<b>SURPLUS ON DISPOSAL OF PROPERTIES</b>	<b>-</b>	<b>£2,244</b>
	<hr/>	<hr/>
Rents and Charges Receivable	808,552	780,228
Property Outgoings	(363,180)	(406,626)
	<hr/>	<hr/>
<b>NET RENTAL INCOME</b>	<b>£445,372</b>	<b>£373,602</b>
	<hr/>	<hr/>

**4. ADMINISTRATIVE EXPENSES**

	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b>£</b>	<b>£</b>
Auditors' Remuneration	13,395	12,455
Legal and Professional Fees	45	90
	<hr/>	<hr/>
	<b>£13,440</b>	<b>£12,545</b>
	<hr/>	<hr/>

The Directors received no emoluments during the year or in the previous year.

Apart from the Directors, there were no other employees during the year or in the previous year.

**CRAIGTON COMBINED SECURITIES LIMITED**

**AND SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2002**

**5. INTEREST PAYABLE**

	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b>£</b>	<b>£</b>
On loans repayable within 5 years:		
Bank Loans and Overdrafts	613	497
Interest on Overdue Taxation	248	-
	<hr/>	<hr/>
	<b>£861</b>	<b>£497</b>
	<hr/>	<hr/>

**6. TAXATION**

	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b>£</b>	<b>£</b>
Consideration Payable for Group Relief	74,680	73,200
Corporation Tax Payable (note 9)	56,000	37,000
Prior Year Adjustment	580	-
	<hr/>	<hr/>
	<b>£131,260</b>	<b>£110,200</b>
	<hr/>	<hr/>

**7. GROUP PROFIT**

Of the Group Profit after Taxation for the Financial Year a profit of £87,012 (2001: loss of £3,611) has been dealt with in the Financial Statements of the Company.

**CRAIGTON COMBINED SECURITIES LIMITED**

**AND SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2002**

**8. DEBTORS**

	<u>The Group</u>		<u>The Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	£	£	£	£
Rents and Charges Due and Accrued	199,527	248,615	-	-
Amounts Due from Parent Undertaking (see below)	1,138,560	780,337	1,218,023	948,613
Amounts Due from Subsidiary Undertakings	-	-	588,660	544,873
Consideration Receivable for Group Relief	-	-	1,800	1,500
Other Debtors and Prepayments	76,606	142,441	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,414,693	£1,171,393	£1,808,483	£1,494,986
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts due from Parent and Subsidiary Undertakings are interest free and effectively repayable on demand.

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>The Group</u>		<u>The Company</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	£	£	£	£
Rents and Service Charges Charged and Paid in Advance	83,369	84,955	-	-
Amount Due to Subsidiary Undertaking	-	-	1,021,413	783,461
Corporation Tax Payable	56,000	37,000	-	-
Consideration Payable for Group Relief (Note 6)	74,680	73,200	-	-
Other Creditors and Accruals	94,263	114,916	28,195	24,515
	<hr/>	<hr/>	<hr/>	<hr/>
	£308,312	£310,071	£1,049,608	£807,976
	<hr/>	<hr/>	<hr/>	<hr/>

The Amount Due to Subsidiary Undertaking is interest free and effectively repayable in demand.

**CRAIGTON COMBINED SECURITIES LIMITED**

**AND SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2002**

**10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS**

	<b><u>2002</u></b>	<b><u>2001</u></b>
	<b><u>£</u></b>	<b><u>£</u></b>
Shares at Cost	200	200
	<hr/>	<hr/>

The Company, which is incorporated in Scotland, controls the whole of the issued share capital in the undermentioned Companies, which are incorporated in England unless otherwise stated:

Cliftvyllle Properties Limited  
Craigton (Properties) Limited (incorporated in Scotland)  
Cliftvyllle (Hyde Park) Limited \*

\* Indirectly owned

**11. CALLED UP SHARE CAPITAL**

	<b><u>Number</u></b>	<b><u>£</u></b>
Ordinary Shares of 12.5p:		
Authorised at 1 April 2001 and 31 March 2002	10,000,000	£1,250,000
	<hr/>	<hr/>
Issued and Fully Paid at 1 April 2001 and 31 March 2002	4,355,322	£544,415
	<hr/>	<hr/>

**CRAIGTON COMBINED SECURITIES LIMITED**

**AND SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2002**

**12. RESERVES**

	<b><u>The Group</u></b>	<b><u>The Company</u></b>
	£	£
<b>Share Premium Account:</b>		
At 1 April 2001 and 31 March 2002	267,872	267,872
<b>Profit and Loss Account:</b>		
At 1 April 2001	1,480,916	(81,642)
Profit for the Year after Taxation	305,198	87,012
	<hr/>	<hr/>
	1,786,114	5,370
	<hr/>	<hr/>
At 31 March 2002	£2,053,986	£273,242
	<hr/>	<hr/>

**13. DIRECTORS' INTERESTS IN CONTRACTS**

Day-to-day management of the Group and the Company is carried out by the Ultimate Parent Undertaking, Highdorn Co. Limited. Mr B S E Freshwater and Mr L Stempel are directors of Highdorn Co. Limited and Mr B S E Freshwater also has a non-beneficial interest in the share capital thereof.

During the year £31,420 (2001: £25,291) in the case of the Group and £Nil (2001: £Nil) in the case of the Company was paid to Highdorn Co. Limited for the full range of management services which were charged for at normal commercial rates.



**CRAIGTON COMBINED SECURITIES LIMITED**

**AND SUBSIDIARY UNDERTAKINGS**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2002**

**14. CONTINGENT LIABILITIES**

The Company and its Subsidiary Undertakings have given unlimited guarantees to the bankers of the Ultimate Parent Undertaking, Highdorn Co. Limited, in respect of which the amount outstanding at 31st March 2002 was £Nil (2001: £Nil), in support of an unlimited guarantee given by Highdorn Co. Limited for bank loan and overdraft facilities granted to the undermentioned.

	<u>2002</u>	<u>2001</u>
	£	£
Companies connected with a director	59,190	52,009
Third Parties	168,262	106,055
	<hr/>	<hr/>
	£227,452	£158,064
	<hr/>	<hr/>

**15. PARENT UNDERTAKING AND CONTROL**

The Company is controlled by its Parent Undertaking, Highdorn Co. Limited, a Company incorporated in England. Highdorn Co. Limited does not have a controlling party.

**CRAIGTON COMBINED SECURITIES LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 MARCH 2002**

	<b><u>2002</u></b> £	<b><u>2001</u></b> £
Administrative Expenses	(5,654)	(4,729)
Interest Payable	(334)	(382)
Decrease in Provision against Amount Due from Subsidiary Undertaking	92,000	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<hr/> 86,012	<hr/> (5,111)
Taxation - Credit	1,000	1,500
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES YEAR FOR THE FINANCIAL YEAR</b>	<hr/> 87,012	<hr/> (3,611)
Adverse Balance Brought Forward	(81,642)	(78,031)
<b>RETAINED EARNINGS/(ADVERSE BALANCE) CARRIED FORWARD</b>	<hr/> £5,370	<hr/> £(81,642)