

Registration number England 692921

Pavilion Square (Scarborough) Limited
Directors' report and financial statements
for the year ended 30 September 2004



Pavilion Square (Scarborough) Limited

Company information

Directors	J. Guthrie K. F. Ball P. J. Guthrie R. Guthrie
Secretary	B. P. Swiers
Company number	England 692921
Registered office	137 Scalby Road Scarborough North Yorkshire YO12 6TB
Auditors	Moore Stephens Chartered Accountants 12/13 Alma Square Scarborough North Yorkshire YO11 1JU
Business address	137 Scalby Road Scarborough North Yorkshire YO12 6TB

Pavilion Square (Scarborough) Limited

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Pavilion Square (Scarborough) Limited

Directors' report for the year ended 30 September 2004

The directors present their report and the financial statements for the year ended 30 September 2004.

Principal activity and review of the business

The principal activity of the company has been the letting of investment property until its disposal during the year. The company is expected to remain dormant in the future.

Results and dividends

The results for the year are set out on page 4.

The directors have paid a dividend amounting to £1,066,305 during the year.

Directors and their interests

The directors named served during the period. The interests of Mr. J. Guthrie, Mr. P. J. Guthrie and Mr. R. Guthrie in the capital of group companies are disclosed in the directors' report of Broadland Properties Limited. Mr. K. F. Ball held no interests in the capital of any group companies.

Elective resolutions

The shareholders have passed elective resolutions dispensing with the requirement to hold an annual general meeting and to lay the accounts before an annual general meeting. Nevertheless the directors would like to remind the shareholders that any shareholder has the right to call for the accounts to be laid before a meeting of the shareholders and this right may be exercised by notice in writing to the company's registered office within 28 days of receipt of the accounts.

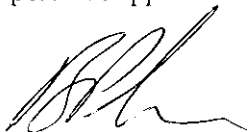
Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and 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 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.

This report was approved by the Board on 21 December 2004 and signed on its behalf by



B. P. Swiers
Secretary

Pavilion Square (Scarborough) Limited

Independent auditors' report to the shareholders of Pavilion Square (Scarborough) Limited

We have audited the financial statements of Pavilion Square (Scarborough) Limited for the year ended 30 September 2004 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared 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 a 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 directors and auditors

As described in the statement of directors' responsibilities the company's directors are 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 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.

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.

Pavilion Square (Scarborough) Limited

Independent auditors' report to the shareholders of Pavilion Square (Scarborough) Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moore Stephens

**Moore Stephens
Registered Auditors**

21 December 2004

**Chartered Accountants
12/13 Alma Square
Scarborough
North Yorkshire**

Pavilion Square (Scarborough) Limited

**Profit and loss account
for the year ended 30 September 2004**

		Discontinued operations	
		2004	2003
	Notes	£	£
Turnover	2	34,981	17,349
Cost of sales		(55,960)	(40,165)
Gross loss		(20,979)	(22,816)
Administrative expenses		(3,143)	(1,192)
Operating loss	3	(24,122)	(24,008)
Profit/(loss) on sale of fixed asset investment		1,122,402	(8,139)
Profit/(loss) on ordinary activities before interest		1,098,280	(32,147)
Other interest receivable and similar income	4	116	56
Profit/(loss) on ordinary activities		1,098,396	(32,091)
Dividends	7	(1,066,305)	-
Retained profit/(loss) for the year		32,091	(32,091)

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 10 form an integral part of these financial statements.

Pavilion Square (Scarborough) Limited

**Balance sheet
as at 30 September 2004**

		2004		2003	
	Notes	£	£	£	£
Fixed assets					
Investments - properties	8		-		442,345
Current assets					
Debtors	9	74,660		11,388	
Cash at bank and in hand		-		2,611	
		<u>74,660</u>		<u>13,999</u>	
Creditors: amounts falling due within one year	10	<u>(4,660)</u>		<u>(418,435)</u>	
Net current assets/(liabilities)			<u>70,000</u>		<u>(404,436)</u>
Net assets			<u><u>70,000</u></u>		<u><u>37,909</u></u>
Capital and reserves					
Called up share capital	11		70,000		70,000
Profit and loss account	12		-		<u>(32,091)</u>
Equity shareholders' funds	13		<u><u>70,000</u></u>		<u><u>37,909</u></u>

The financial statements were approved by the Board on 21 December 2004 and signed on its behalf by


J. Guthrie
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

Pavilion Square (Scarborough) Limited

**Notes to the financial statements
for the year ended 30 September 2004**

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of investment properties.

The company has consistently applied all relevant accounting standards.

1.2. Turnover

Turnover represents amounts receivable for rents and service charges.

1.3. Acquisition and disposal of properties

Acquisitions of properties are accounted for on the date of unconditional contract and disposals of properties on the date of legal completion.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating loss

Operating loss is stated after charging:

Auditors' remuneration

2004	2003
£	£
3,099	1,176
<u> </u>	<u> </u>

4. Interest receivable and similar income

Bank interest

2004	2003
£	£
116	56
<u> </u>	<u> </u>

5. Directors' emoluments

There were no employees during the year apart from the directors, who received no remuneration for their services.

Pavilion Square (Scarborough) Limited

**Notes to the financial statements
for the year ended 30 September 2004**

..... continued

6. Taxation

	2004	2003
	£	£
Analysis of tax charge in the year		
Current tax	-	-
Total current tax	-	-
 Tax on profit on ordinary activities	 -	 -
 Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before tax	1,098,396	(32,091)
Profit/(loss) on ordinary activities before tax multiplied by the standard rate of UK corporation tax of 30%	329,519	(9,627)
Effects of:		
Group relief at 0%	(25,640)	7,185
Utilisation of tax losses	(2,226)	
Indexation allowance	(218,468)	
Adjustment to cost of disposal	(83,185)	
Loss on disposal of subsidiary company		2,442
Current tax charge for year	-	-

7. Dividends

	2004	2003
	£	£
Dividends on equity shares:		
Ordinary shares - paid	1,066,305	-

Pavilion Square (Scarborough) Limited

**Notes to the financial statements
for the year ended 30 September 2004**

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8. Investments

	Freehold property £	Total £
Cost or valuation		
At 30 September 2003	442,345	442,345
Disposals	(442,345)	(442,345)
At 30 September 2004	-	-
Historical cost		
At 30 September 2004	-	-
At 30 September 2003	442,345	442,345

9. Debtors

	2004 £	2003 £
Trade debtors	-	5,240
Amounts owed by group undertakings	74,660	-
Prepayments and accrued income	-	6,148
	<u>74,660</u>	<u>11,388</u>

Amounts owed by group companies are interest free and have no specific repayment terms and may therefore be due after more than one year.

**10. Creditors: amounts falling due
within one year**

	2004 £	2003 £
Trade creditors	-	5,901
Amounts owed to group undertaking	-	388,129
Other creditors	2,500	190
Accruals and deferred income	2,160	24,215
	<u>4,660</u>	<u>418,435</u>

Pavilion Square (Scarborough) Limited

**Notes to the financial statements
for the year ended 30 September 2004**

..... continued

11. Share capital	2004	2003
	£	£
Authorised equity		
70,000 Ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>
Allotted, called up and fully paid equity		
70,000 Ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>
12. Equity Reserves	Profit and loss account	Total
	£	£
At 1 October 2003	(32,091)	(32,091)
Retained profit/(loss) for the year	<u>32,091</u>	<u>32,091</u>
At 30 September 2004	<u>-</u>	<u>-</u>
13. Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit/(loss) for the year	1,098,396	(32,091)
Dividends	<u>(1,066,305)</u>	<u>-</u>
	32,091	(32,091)
Opening shareholders' funds	<u>37,909</u>	<u>70,000</u>
Closing shareholders' funds	<u>70,000</u>	<u>37,909</u>

14. Contingent liabilities

The company has given cross guarantees in respect of group borrowing facilities from its principal bankers. Security given includes a debenture over the whole assets of this company.

15. Related party transactions

Advantage is taken of the exemption given in Financial Reporting Standard number 8 "Related Party Disclosures" from the requirement to separately disclose transactions with group companies.

Pavilion Square (Scarborough) Limited

**Notes to the financial statements
for the year ended 30 September 2004**

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16. Ultimate parent undertaking

The accounts of this company are included in the consolidated accounts of the ultimate holding company, Broadland Properties Limited, which is regarded as the company's ultimate parent company.