

Registration number England 1245594

County Properties (Northern) Limited
Directors' report and financial statements
for the year ended 30 September 2003



County Properties (Northern) Limited

Company information

Directors	J. Guthrie R. G. Urquhart P. J. Guthrie R. Guthrie B. P. Swiers	(appointed 29 July 2003) (appointed 29 July 2003) (appointed 29 July 2003)
Secretary	B. P. Swiers	
Company number	England 1245594	
Registered office	Third Floor Pavilion House Scarborough North Yorkshire YO11 2JR	
Auditors	Moore Stephens 12 Alma Square Scarborough North Yorkshire YO11 1JU	
Business address	Third Floor Pavilion House Scarborough North Yorkshire YO11 2JR	
Bankers	Bank of Scotland Head Office The Mound Edinburgh EH1 1YZ	

County Properties (Northern) Limited

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County Properties (Northern) Limited

Directors' report for the year ended 30 September 2003

The directors present their report and the financial statements for the year ended 30 September 2003.

Principal activity and review of the business

The company is a property development and investment company. The directors are pleased to report an acceptable period of trading consistent with current market trends.

Results and dividends

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

The directors have paid an interim dividend amounting to £1,320,000 and they do not recommend payment of a final dividend.

Directors and their interests

The directors named served during the period. The interests of Mr. J. Guthrie, Mr. P. J. Guthrie, Mr. R. Guthrie and Mr. B. P. Swiers in the capital of group companies are disclosed in the directors' report of Broadland Properties Limited. Mr. R. G. Urquhart held no interests in the capital of any group companies during the period under review.

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

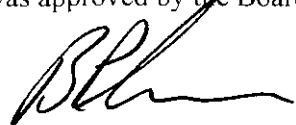
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

This report was approved by the Board on 2 April 2004 and signed on its behalf by

B. P. Swiers
Secretary



County Properties (Northern) Limited

Independent auditors' report to the shareholders of County Properties (Northern) Limited

We have audited the financial statements of County Properties (Northern) Limited for the year ended 30 September 2003 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 an 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.

County Properties (Northern) Limited

Independent auditors' report to the shareholders of County Properties (Northern) 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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Moore Stephens
Registered Auditors**

2 April 2004

**12 Alma Square
Scarborough
North Yorkshire
YO11 1JU**

County Properties (Northern) Limited

**Profit and loss account
for the year ended 30 September 2003**

		Continuing operations	
		2003	2002
	Notes	£	£
Turnover	2	1,728,424	979,485
Cost of sales		(278,543)	(158,032)
Gross profit		1,449,881	821,453
Administrative expenses		(78,197)	(63,148)
Operating profit	3	1,371,684	758,305
Other interest receivable and similar income		14,078	3
Profit on ordinary activities		1,385,762	758,308
Dividends	8	(1,320,000)	(750,000)
Retained profit for the year		65,762	8,308
Statement of total recognised gains and losses			
Profit on ordinary activities after taxation		1,385,762	758,308
Unrealised movement on revaluation of property		1,071,459	1,333,568
Total recognised gains relating to the year		2,457,221	2,091,876

The notes on pages 6 to 12 form an integral part of these financial statements.

County Properties (Northern) Limited

**Balance sheet
as at 30 September 2003**

		2003		2002	
	Notes	£	£	£	£
Fixed assets					
Investments - properties	9		14,120,777		12,979,238
Current assets					
Debtors	10	174,397		196,663	
Cash at bank and in hand		79,522		57,501	
		<u>253,919</u>		<u>254,164</u>	
Creditors: amounts falling due within one year	11	<u>(6,739,160)</u>		<u>(6,735,087)</u>	
Net current liabilities			<u>(6,485,241)</u>		<u>(6,480,923)</u>
Net assets			<u>7,635,536</u>		<u>6,498,315</u>
Capital and reserves					
Called up share capital	12		12,000		12,000
Revaluation reserve	13		3,920,572		2,849,113
Profit and loss account	13		3,702,964		3,637,202
Shareholders' funds	14		<u>7,635,536</u>		<u>6,498,315</u>
Equity interests			7,635,536		6,492,315
Non-equity interests			<u>-</u>		<u>6,000</u>

The financial statements were approved by the Board on 2 April 2004 and signed on its behalf by


J. Guthrie
Director

The notes on pages 6 to 12 form an integral part of these financial statements.

County Properties (Northern) Limited

Notes to the financial statements for the year ended 30 September 2003

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, service charges and property development, net of value added tax where applicable.

1.3. Investment properties

In accordance with SSAP 19 the directors have included the company's investment properties in the balance sheet at the directors' estimate of their open market value. The corresponding unrealised surpluses and deficiencies are included in an undistributable revaluation reserve, unless the total of the revaluation reserve is insufficient to cover a deficit, in which case the amount by which the deficit exceeds the amount in the revaluation reserve is charged in the profit and loss account. In common with many other investment companies and in accordance with SSAP 19, no depreciation has been provided by the company on freehold, feuhold and long leasehold investment properties. This departure from statutory accounting principles is enabled under s226(5) of the Companies Act 1985 for the overriding purpose of presenting a true and fair view. Revaluation gains are recognised in the profit and loss account to the extent that they reverse deficits on the same property which were previously charged to the profit and loss account.

1.4. Depreciation/amortisation

Freehold and long leasehold properties are not depreciated.

Short leasehold properties are written off on a straight line basis over the remaining lease period.

1.5. Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Deferred taxation

The company has applied FRS 19 in accounting for deferred tax. The general principle is that deferred tax is recognised as a liability or asset if the transactions or events that give an obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date, although deferred tax is not provided on timing differences arising when a fixed asset is revalued without there being any commitment to sell the asset.

1.7. 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.

County Properties (Northern) Limited

**Notes to the financial statements
for the year ended 30 September 2003**

..... continued

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 profit

2003

2002

£

£

Operating profit is stated after charging:

Operating lease rentals

- Land and buildings

31,168

10,565

Auditors' remuneration

3,030

3,046

4. Interest receivable and similar income

2003

2002

£

£

Other interest

14,078

3

5. Directors' emoluments

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

County Properties (Northern) Limited

**Notes to the financial statements
for the year ended 30 September 2003**

..... continued

6. Taxation

	2003	2002
	£	£
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	1,385,762	758,308
Profit/(loss) on ordinary activities before tax multiplied by the standard rate of UK corporation tax of 30%	415,729	227,492
Effects of:		
Group relief at 0%	(410,492)	(204,708)
Expenses not deductible for tax purposes	-	481
Capital allowances on plant within buildings	(5,237)	(23,265)
Current tax charge for year	-	-

County Properties (Northern) Limited

**Notes to the financial statements
for the year ended 30 September 2003**

..... continued

7. Deferred taxation

	2003	2002
	£	£
Full potential amounts		
On disposal of revalued assets	1,314,991	1,070,521
	<u>1,314,991</u>	<u>1,070,521</u>
Of which provided in the accounts	-	-
	<u>-</u>	<u>-</u>
Analysis of movement		
Balance b/fwd	-	
Deferred tax charge for the period	-	
Balance c/fwd	<u>-</u>	

8. Dividends

	2003	2002
	£	£
Dividends on equity shares:		
Ordinary shares - interim paid	<u>1,320,000</u>	<u>750,000</u>

County Properties (Northern) Limited

Notes to the financial statements for the year ended 30 September 2003

..... continued

9. Investments

	Freehold property £	Long leasehold property £	Total £
Cost or valuation			
At 1 October 2002	3,725,001	9,254,237	12,979,238
Additions	-	70,081	70,081
Revaluations	374,999	696,459	1,071,458
At 30 September 2003	4,100,000	10,020,777	14,120,777
Net book values			
At 30 September 2003	4,100,000	10,020,777	14,120,777
At 30 September 2002	3,725,001	9,254,237	12,979,238
Historical cost			
At 30 September 2003	1,598,875	8,601,330	10,200,205
At 30 September 2002	1,598,875	8,531,249	10,130,124

Investment properties have been revalued at their open market value by Mr. J Guthrie FRICS (director).

10. Debtors

	2003 £	2002 £
Trade debtors	164,524	153,623
Other debtors	9,873	37,005
Prepayments and accrued income	-	6,035
	<u>174,397</u>	<u>196,663</u>

County Properties (Northern) Limited

Notes to the financial statements for the year ended 30 September 2003

..... continued

11. Creditors: amounts falling due within one year	2003 £	2002 £
Trade creditors	27,408	64,104
Amounts owed to group undertaking	6,431,775	6,397,146
Corporation tax	10	-
Other taxes and social security costs	6,552	-
Other creditors	101,446	95,909
Accruals and deferred income	171,969	177,928
	<u>6,739,160</u>	<u>6,735,087</u>

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

12. Share capital	2003 £	2002 £
Authorised equity		
'A' Ordinary shares of £1 each	-	6,000
Ordinary shares of £1 each	50,000	44,000
	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid		
'A' Ordinary shares of £1 each	-	6,000
Ordinary shares of £1 each	12,000	6,000
	<u>12,000</u>	<u>12,000</u>

On 30 September 2003 the 'A' Ordinary shares of £1 each were converted to Ordinary shares of £1 each. All rights to the 'A' Ordinary shares were waived by the shareholders.

13. Equity Reserves	Revaluation reserve £	Profit and loss account £	Total £
At 1 October 2002	2,849,113	3,637,202	6,486,315
Revaluation of property	1,071,459	-	1,071,459
Retained profit for the year	-	65,762	65,762
At 30 September 2003	<u>3,920,572</u>	<u>3,702,964</u>	<u>7,623,536</u>

County Properties (Northern) Limited

Notes to the financial statements for the year ended 30 September 2003

..... continued

14. Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the year	1,385,762	758,308
Dividends	(1,320,000)	(750,000)
	65,762	8,308
Other recognised gains or losses	1,071,459	1,333,568
Net addition to/deduction from shareholders' funds	1,137,221	1,341,876
Opening shareholders' funds	6,498,315	5,156,439
Closing shareholders' funds	7,635,536	6,498,315

15. Financial commitments

At 30 September 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2003 £	2002 £
Expiry date:		
In over five years	31,354	36,961

16. Contingent liabilities

This company has given cross guarantees in respect of group borrowings from its bankers. Security given includes a debenture over the whole assets of this company, together with specific legal charges over certain investment properties. The company has also given a guarantee to the bankers of a fellow subsidiary in respect of that company's borrowings.

17. 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.

18. Ultimate parent undertaking

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