



**BRACKLEY INVESTMENTS
(SKEGNESS) LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2002

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2002

Company registration number: 03951392

Registered office: Lawford Road
Rugby
Warwickshire
CV21 2UU

Director: Brackley Investments Limited

Secretary: Mr P G Wakeford

Bankers: National Westminster Bank plc
Daventry

Auditors: Grant Thornton
Registered auditors
Chartered accountants

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2002

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BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

REPORT OF THE DIRECTOR

The director presents their report together with financial statements for the year ended 31 March 2002.

Principal activities

The company is principally engaged in the rental of investment properties.

Business review

There was a profit for the year after taxation amounting to £38,994 (2001: £45,736). The director does not recommend payment of a dividend.

Comparatives

The comparatives are for the period from 20 March 2000 to 31 March 2001.

Director

The interests of the director in the shares of the company as at 31 March 2002 and 1 April 2001, were as follows:

	Ordinary shares	
	31 March 2002	1 April 2001
Brackley Investments Limited	100	100

Director's responsibilities for the financial statements

United Kingdom company law requires the director 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 director is 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 director is responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

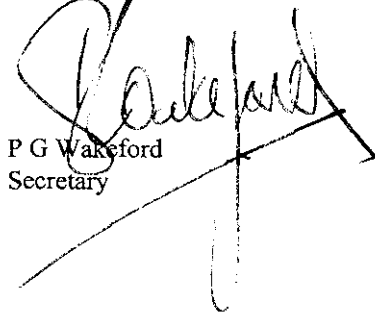
BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

REPORT OF THE DIRECTOR

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'P G Wakeford', is written over a horizontal line. The signature is stylized and cursive.

P G Wakeford
Secretary

9 September 2002.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BRACKLEY INVESTMENTS (SKEGNESS) LIMITED**

We have audited the financial statements of Brackley Investments (Skegness) Limited for the year ended 31 March 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the director and auditors

The directors' responsibilities for preparing the directors report and the financial statements in accordance with United Kingdom law and 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 other information contained in the directors report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of 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 director 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 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

NORTHAMPTON

12/9/02

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention except that investment properties are shown at their revalued amounts.

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Assets under construction are not depreciated as they are not yet in use by the company.

INVESTMENT PROPERTIES

Investment properties are revalued annually and are included in the balance sheet at their open market values. The surpluses or deficits on annual revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties. Leasehold investment properties are not amortised where the unexpired term is over twenty years.

This policy represents a departure from the Companies Act 1985, which requires depreciation to be provided on all fixed assets. The director considers that this policy is necessary in order that the financial statements may give a true and fair view, because current values and changes in current values are of prime importance rather than the calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 March 2002

	Note	2002 £	20 March 2000 to 31 March 2001 £
Turnover	1	280,885	152,570
Administrative expenses		(24,416)	(17,039)
Operating profit		256,469	135,531
Interest payable and similar charges	2	(142,727)	(59,687)
Profit on ordinary activities before taxation	1	113,742	75,844
Tax on profit on ordinary activities	3	(74,748)	(30,108)
Profit transferred to reserves	11	38,994	45,736

There were no recognised gains or losses other than the profit for the financial year.

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

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

BALANCE SHEET AT 31 MARCH 2002

	Note	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	5		5,571,611		2,328,672
Current assets					
Cash at bank and in hand		85,290		116,256	
Creditors: amounts falling due within one year	6	(2,124,574)		(904,807)	
Net current liabilities			(2,039,284)		(788,551)
Total assets less current liabilities			3,532,327		1,540,121
Creditors: amounts falling due after more than one year	7		(3,342,641)		(1,464,177)
Provisions for liabilities and charges	8		(104,856)		(30,108)
			<u>84,830</u>		<u>45,836</u>
Capital and reserves					
Called up share capital	10		100		100
Profit and loss account	11		84,730		45,736
Shareholders' funds	12		<u>84,830</u>		<u>45,836</u>

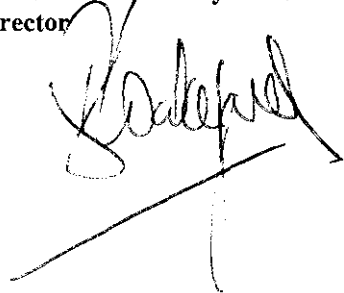
The financial statements were approved by the Board of Directors on

9th September 2002

P G Wakeford

On behalf of Brackley Investments Limited

Director



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

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to the activities as stated in the Report of the Directors.

The profit on ordinary activities is stated after:

	2002 £	20 March 2000 to 31 March 2001 £
Auditors' remuneration	<u>2,000</u>	<u>1,750</u>

2 INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £	20 March 2000 to 31 March 2001 £
On other loans	<u>142,727</u>	<u>59,687</u>

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2002 £	20 March 2000 to 31 March 2001 £
Total current tax	-	-
Origination and reversal of timing differences (Note 8)	<u>74,748</u>	<u>30,108</u>
Tax on profit on ordinary activities	<u>74,748</u>	<u>30,108</u>

Factors affecting the tax charge for the year

The tax assessed is lower than the standard rate of corporation tax in the UK of 30% (2001: 30%). The differences are explained as follows:

	2002 £	20 March 2000 to 31 March 2001 £
Profit on ordinary activities before tax	<u>113,742</u>	<u>75,844</u>

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001: 30%)	34,123	22,753
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Effect of:

Expenses not deductible for tax purposes	389	1,856
Capital allowances in excess of depreciation	(74,748)	(30,108)
Group relief	40,236	5,499
Total current tax	-	-

4 DIRECTOR AND EMPLOYEES

The average number of employees of the company during the year was nil (2001: nil).

The director did not receive any remuneration during the period (2001: £nil).

5 TANGIBLE FIXED ASSETS

	Investment properties £	Assets under construction £	Total £
Cost or valuation			
At 1 April 2001	1,970,977	357,695	2,328,672
Additions	2,630,078	612,861	3,242,939
Reclassifications	357,695	(357,695)	-
Net book amount at 31 March 2002	<u>4,958,750</u>	<u>612,861</u>	<u>5,571,611</u>
Net book amount at 31 March 2001	<u>1,970,977</u>	<u>357,695</u>	<u>2,328,672</u>

The investment properties are included at the director's estimate of open market value.

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Other loan	47,200	20,464
Amounts owed to group undertakings	1,679,928	801,893
Social security and other taxes	12,407	6,825
Other creditors	250,000	-
Accruals and deferred income	135,039	75,625
	<u>2,124,574</u>	<u>904,807</u>

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2002

7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £	2001 £
Other loan	<u>3,342,641</u>	<u>1,464,177</u>

Other loans

The other loans are secured by a fixed and floating charge over all of the company's assets. The other loans are repayable in quarterly instalments from 28 September 2000 to 28 June 2024 and interest is charged at a rate of 6.28% per annum.

Borrowings are repayable as follows:

	2002 £	2001 £
Within one year		
Other borrowings	47,200	20,464
After one and within two years		
Other borrowings	50,352	21,782
After two and within five years		
Other borrowings	172,152	74,130
After five years		
Other borrowings	<u>3,120,137</u>	<u>1,368,265</u>
	<u>3,389,841</u>	<u>1,484,641</u>

Other borrowings repayable after five years comprise:

	2002 £	2001 £
Other loan	<u>3,120,137</u>	<u>1,368,265</u>

8 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 April 2001	30,108
Provided during the year	<u>74,748</u>
At 31 March 2002	<u>104,856</u>

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

9 DEFERRED TAXATION

Deferred taxation provided for in the financial statements is set out below.

	Amount provided	
	2002	2001
	£	£
Accelerated capital allowances	<u>104,856</u>	<u>30,108</u>

10 SHARE CAPITAL

	2002	2001
	£	£
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 RESERVES

	Profit and loss account £
At 1 April 2001	45,736
Retained profit for the year	<u>38,994</u>
At 31 March 2002	<u>84,730</u>

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	38,994	45,736
Issue of shares	-	100
Net increase in shareholders' funds	<u>38,994</u>	<u>45,836</u>
Shareholders' funds at 1 April 2001	45,836	-
Shareholders' funds at 31 March 2002	<u>84,830</u>	<u>45,836</u>

BRACKLEY INVESTMENTS (SKEGNESS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2002

13 CAPITAL COMMITMENTS

	2002 £	2001 £
Contracted for but not provided in these statements	<u>2,323,139</u>	<u>1,165,447</u>

14 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2002 or at 31 March 2001.

15 RELATED PARTY TRANSACTIONS

During the period the company purchased fixed assets of £2,953,730 (2001: £2,293,672) at cost from Brackley Investments Limited, its parent undertaking and director. In addition there were net cash transfers amounting to £2,043,387 and net recharge of expenses amounting to £32,308 to Brackley Investments Limited during the year.

The balance outstanding to Brackley Investments Limited at 31 March 2002 amounted to £1,679,928 (2001: £801,893).

At 31 March 2002 the company owed Stepnell Limited £58,934 (2001: £35,000) for the development of investment properties. The company made payments of £35,000 to Stepnell Limited during the year. Mr R J Wakeford and Mr P G Wakeford who are directors of this company's ultimate parent undertaking are directors of Stepnell Limited.

The company was recharged £3,730 by Stepnell Estates Limited for payments made on the company's behalf during the year. Mr R J Wakeford and Mr P G Wakeford who are directors of this company's ultimate parent undertaking are directors of Stepnell Estates Limited.

16 ULTIMATE PARENT UNDERTAKING

The director considers that the ultimate parent undertaking and controlling related party of this company is Brackley Investments Limited.