
DAWCASTLE LIMITED

REPORT AND FINANCIAL STATEMENTS

◆ *18 Months Ended 31 December 2003* ◆



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DAWCASTLE LIMITED

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DAWCASTLE LIMITED

COMPANY INFORMATION

Director	Andrew L Cohen
Secretary	Iain Williamson
Registered office	Wood Hall Lane Shenley Hertfordshire WD7 9AA
Registered number	3074846
Auditors	RSM Robson Rhodes LLP Centre City Tower 7 Hill Street Birmingham B5 4UU

REPORT OF THE DIRECTOR

The director presents his report together with the audited financial statements for the 18 month period ended 31 December 2003.

Principal activities

The company has not traded in the current period and does not expect to do so for the foreseeable future.

Results and dividend

The results for the year are set out in detail on page 4. The director does not recommend the payment of a dividend (2002: £nil).

Director

The director at the date of this report are disclosed on page 1.

The director held no beneficial interests in the shares of the company throughout the year.

The director's interests in the shares of the parent company are disclosed in that company's accounts.

Director's responsibilities for financial statements

UK 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 year. In preparing these financial statements, the director has:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

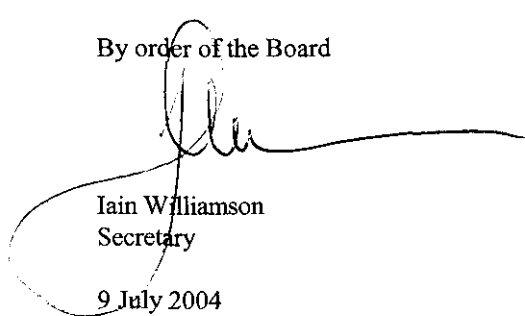
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Messrs RSM Robson Rhodes LLP were appointed as auditors during the period. A resolution to approve the re-election of RSM Robson Rhodes LLP as auditors will be proposed at the forthcoming AGM.

This report of the directors has been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

By order of the Board



Iain Williamson
Secretary

9 July 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
DAWCASTLE LIMITED**

We have audited the financial statements on pages 4 to 9.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The director's 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 on page 2.

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 information contained in the Annual 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 information outside the Annual Report.

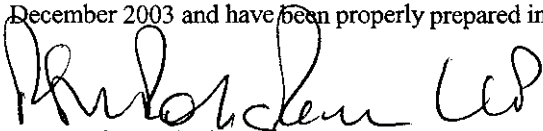
Basis of audit opinion

We conducted our audit in accordance with 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 have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Birmingham
9 July 2004

DAWCASTLE LIMITED

PROFIT AND LOSS ACCOUNT

for the 18 months ended 31 December 2003

	Note	18 Months to 31 December 2003 £	Year to 30 June 2002 £
Administrative expenses		-	(1,074)
		<hr/>	<hr/>
Operating loss	2	-	(1,074)
Interest payable	4	-	(101)
Interest receivable	5	-	163
		<hr/>	<hr/>
Loss on ordinary activities before taxation		-	(1,012)
Taxation	6	-	12,103
		<hr/>	<hr/>
Retained profit for the period	11	-	11,091
		<hr/>	<hr/>

All activities derive from discontinuing operations.

All recognised gains and losses have been included in the profit and loss account for the periods above.

The notes on pages 6 to 9 form part of these financial statements

DAWCASTLE LIMITED

BALANCE SHEET at 31 December 2003

	Note	31 December 2003 £	30 June 2002 £
Current assets			
Amounts due from parent undertaking	7	1,424,505	1,424,653
Cash at bank		-	852
		<hr/>	<hr/>
		1,425,505	1,425,505
Creditors: Amounts falling due within one year	8	-	(1,000)
		<hr/>	<hr/>
Net assets		1,424,505	1,424,505
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account	11	1,424,503	1,424,503
		<hr/>	<hr/>
Equity shareholders' funds	10	1,424,505	1,424,505
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 9 July 2004.


Andrew L Cohen
Director

The notes on pages 6 to 9 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS**31 December 2003****1. ACCOUNTING POLICIES****Basis of accounting**

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention.

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19. Deferred tax is provided in full, in accordance with FRS19, on those timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the periods when the timing differences are expected to reverse, based on tax rates and law enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

2. OPERATING LOSS

Operating loss is arrived at after charging:

	18 months to 31 December 2003	Year ended to 30 June 2002
	£	£
Auditors remuneration	-	1,000
	<hr/>	<hr/>

Auditors' remuneration is borne by the ultimate parent company.

3. EMPLOYEE INFORMATION (INCLUDING DIRECTORS)

With the exception of the directors, there were no employees during the period. The directors received no remuneration during the period.

4. INTEREST PAYABLE

	18 months to 31 December 2003	Year ended to 30 June 2002
	£	£
Interest payable on bank overdrafts	-	101
	<hr/>	<hr/>

DAWCASTLE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 2003****5. INTEREST RECEIVABLE**

	18 months to 31 December 2003 £	Year ended to 30 June 2002 £
Bank interest	-	24
Other interest	-	139
	<u>-</u>	<u>163</u>

6. TAXATION ON LOSS FROM ORDINARY ACTIVITIES

	18 months to 31 December 2003 £	Year ended to 30 June 2002 £
Current Tax		
UK corporation tax on loss of the period	-	-
Group relief receivable	-	(304)
Adjustment in respect of prior periods	-	(11,799)
Total current tax	<u>-</u>	<u>(12,103)</u>

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The differences are explained below:

	18 months to 31 December 2003 £	Year ended to 30 June 2002 £
Loss on ordinary activities before tax	-	(1,012)
Loss on ordinary activities at the standard rate of Corporation tax in the UK of 30% (2002 – 20%)	-	(304)
Effects of:		
Expenses not deductible for tax purposes	-	-
Capital allowances for year in excess of depreciation	-	-
Adjustment to tax charge in respect of prior periods	-	(11,799)
Current tax charge for period	<u>-</u>	<u>(12,103)</u>

7. DEBTORS

	31 December 2003 £	30 June 2002 £
Amounts due from group undertakings	1,424,505	1,424,653

All amounts shown in debtors fall due for repayment within one year

DAWCASTLE LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 2003****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 December 2003 £	30 June 2002 £
Other creditors	-	1,000

9. SHARE CAPITAL

	31 December 2003 £	30 June 2002 £
Authorised 100 Ordinary shares of £1 each	100	100
Allotted, issued and fully paid 2 Ordinary shares of £1 each	2	2

10. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	31 December 2003 £	30 June 2002 £
Profit for the period	-	11,091
Opening shareholders' funds	1,424,505	1,413,414
Closing shareholders' funds	1,424,505	1,424,505

11. RESERVES

	Profit and loss account £
At 1 July 2002 and at 31 December 2003	1,424,503

NOTES TO THE FINANCIAL STATEMENTS

31 December 2003

12. RELATED PARTIES TRANSACTIONS

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with 100%-owned subsidiaries of Wood Hall Securities Limited that are included in its consolidated financial statements.

13. 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 it is consolidated in the financial statements of its ultimate parent company.

14. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Wood Hall Securities Limited, whose consolidated financial statements are available from Companies House.